HUMAN RIGHTS WORKING GROUP





Post Meeting Papers

Human Rights Working Group Meeting #3 2024

Thursday 30 May 2024 | 12pm to 1:30pm AEST/ 2pm to 3:30pm NZST

Contents

Meeting minutes

Action Register

Attendees Attachments

- 1) Meeting Slide Deck
 - 2) StockWatch Report

Minutes

Item	Action required
1. Welcome (10 min) Chair – Måns Carlsson (Ausbil) Acknowledgement of Country Minutes from last meeting Principles of Participation	Submit any amendments to the Minutes to <u>less Rowe</u> (<u>Manager of Working</u> <u>Groups)</u>
2. Special Presentation and Q&A (25 min) Topic: Modern slavery James Cockayne - Anti-Slavery Commissioner NSW	To access the special presentation, please log in to your Member Portal and select;
 NSW Anti-Slavery Commissioner James Cockayne shared the critical role business and investor have to play. He spoke about growing accountabilities in this space as well as emerging fiduciary duties for directors with examples across various countries related to modern slavery. There are structural barriers impacting the level to which we are able to see outcomes that reduce risk to people in supply chains and create value at a system level. A structural barrier includes the lack of clarity on the expected standard of conduct for a firm in any given case to address modern slavery. Overall, there needs to be a clarification of what is expected of investors. Various sectors were discussed in relation to modern slavery including the issue of polysilicon sourcing for solar panels 	1. "LEARN" (top bar), 2. "Member Only Resources" (bottom of drop-down menu), 3. "Working Groups" (Yellow Tile), 4. "Human Rights Working Group" (Scroll Down, Yellow Box), 5. "2024 Meetings and Special Presentations"

and the linkages to forced labour. A major challenge being that the access to slavery free supply of solar panels is very limited, and investors need to engage government to unlock policy settings in this regard.

 At the NSW level they are working to develop codes of practice the first one being with the Clean Energy Council which will be share for public consultation in the coming months. (Scroll Down, Underneath Working "Group Details")

and then underneath the title:

"3 – Thursday 22 August 2024 – Modern Slavery",

you will find the recording of the special presentation, the Pre-meeting papers, and the Post meeting papers.

If you require any assistance please contact, <u>Jess Rowe</u>
(<u>Manager of Working</u>
<u>Groups</u>)

3. Industry Update (5 min)

StockWatch Report - Phil Sloane (Associate Director, Head of ESG Client Success APAC | ISS ESG)

- Sandfire Resources Limited: An external probe has found that
 Sandfire Resources caused damage to Aboriginal cultural heritage
 at its Monty copper mine in Western Australia due to "ignorance
 and process failings." The Yugunga-Nya traditional owners
 criticized the report for suggesting the damage was unintentional,
 expressing disappointment in the previous management's
 disregard for Aboriginal heritage. The probe highlighted that
 Sandfire's former executive management failed to implement
 proper heritage protection measures.
- Fortescue Ltd: Traditional owners from the Pilbara region, represented by the Yindjibarndi Ngurra Aboriginal Corporation (YNAC), have requested a state government inquiry into Fortescue Metal Group's (FMG) Solomon Hub iron ore mine. YNAC alleges that the mine has failed to meet adequate cultural and environmental protection standards. They argue that the mine, operational since 2011, has led to the destruction of 249 Yindjibarndi heritage sites and threatens 5,000 sacred sites.
- BHP Group Limited: The High Court in London has ruled that BHP Group must cease funding legal action aimed at preventing Brazilian municipalities from pursuing a multi-billion pound lawsuit related to the 2015 Mariana dam disaster. This lawsuit, one of the largest in English legal history, began in 2018, with a key trial scheduled for October 2024.
- Rio Tinto Limited: The Panguna mine on Bougainville Island, once a major gold and copper source, left severe environmental and social damage after its operations ceased in 1989. The forthcoming report to be published in August 2024 will guide negotiations for cleanup and compensation for affected communities. However, a May 2024 class-action lawsuit led by former rebel leaders and funded by anonymous offshore investors, seeking billions from the mine's former operators Rio Tinto and its former local subsidiary, Bougainville Copper Limited, threatens to undermine these efforts.

For more information regarding the Stock Watch Report, please contact, Phil Sloane (ISS ESG)

4. Sub-group Updates (10 min)

Digital Tech - Janelle Morrison (Subgroup's point person | Ausbil)

- Regarding AI, it continues to make headlines everyday. Some that were highlighted in the meeting included deepfakes as a negative externality of AI.
- The <u>Shanghai Declaration on Global AI Governance</u> was announced World Artificial Intelligence Conference in July.

For more information regarding the Digital Tech Subgroup, please contact Janelle Morrison (AusBil)

Modern Slavery - Måns Carlsson (Chair | RIAA's Human Rights Working Group)

- No update yet on the Modern slavery Act Australia it could be likely that they will not comment on the recommendations until the federal commission is appointment.
- Australian federal police 69 reports of forced labour, bondage and forced recruitment.
- In US department of homeland 3 sectors aluminium, PVC and seafood have now been added as high priority sectors.
- Import bands with the US customs boarder protection act. There
 has been discussion that this has started to impact the Malaysian
 economy. 2,000 shipments stopped from Malaysia since 2022. 9,000
 worth 3.4 Billion USD from Xinjang region of China.
- In NZ the modern slavery advisory group has been disbanded.
 Priority is focused on reviewing the Holiday Pay Act.
- Employer Worker Visa review by the Australian Human rights Commission is underway.

For more information regarding the Modern Slavery Subgroup, please contact, <u>Jess Rowe (Manager of Working Groups)</u>

5. General Updates (25 min)

RIAA's Policy and Advocacy Work - Nayanisha Samarakoon (Head of Policy and Advocacy | RIAA)

- Work on Modern Slavery now is more general whilst we wait for the establishment of the Federal Anti-slavery Commissioner.
- One of the key aspects of our engagement is around the future made in Australia package.
- Focus on ensuring progress towards net zero contains protections on modern slavery, FNPR and nature.

For more information on RIAA's policy and advocacy work, please contact:

Nayanisha Samarakoon (Head of Advocacy and Policy)

Workplan for HRWG - Jess Rowe (Manager of Working Groups | RIAA)

- The Human Rights Working Group is a way for RIAA members to come together in the interests of building stronger stewardship capabilities through more deeply understanding human rights, being able to identify and comment on due diligence processes and understand investor and company roles in remedying human rights abuses and violations.
- Some main highlights from the survey completed by members to contribute to the updates of the workplan included:
 - 1. Survey, 89% agree with the current purpose of the working group

If you have any inputs on the Human Rights Working Group's work plan, Please contact <u>Jess Rowe (Manager</u> of Working Groups)

Human Rights due diligence was the highest voted out of the current workplan initiatives to continue into this next period 3. Various other suggestions and recommendations made that we have tried to include in the current workplan A poll was completed to review the draft workplan and prioritise topics for presentations at the working group. Results prioritised the following topics as the topic 6 which will be incorporated into future working group meetings: 1. CSDDD (what companies & investors are putting in place) 2. How emerging EU law on CSDDD and CSRD will impact Australasian investors; 3. Modern Slavery in renewable supply chains 4. Enhancing modern slavery assessment in our portfolio companies. Going beyond a risk assessment. "Find it, fix it, prevent it" global workstream 5. Hearing from solar panel companies 6. Intersection of Human Rights and Nature 7. Geopolitics and Human Rights: Relationship to responsible investment

6. Closing (5 min)

Next Meeting

Thursday, November 14, 2024 (12pm to 1:30pm AEDT / 2pm to 3:30pm NZDT) – Register Now

For noting

Action Register

Ref.	Action	Delegation	Status			
	New					
28/24	Register for the next meeting on Thursday, November 14, 2024 (12pm to 1:30pm AEDT / 2pm to 3:30pm NZDT) – Register Now	All	Pending			
27/24	Submit any amendments to the Minutes to <u>Jess Rowe (Manager of Working Groups)</u>	All	Pending			
26/24	For more information regarding the Stock Watch Report, please contact, Phil Sloane (ISS ESG)	All	Pending			
25/24	For more information regarding the Digital Tech Subgroup, please contact <u>Janelle Morrison (AusBil)</u>	All	Pending			
24/24	For more information regarding the Modern Slavery Subgroup, please contact, <u>Jess Rowe (Manager of Working Groups)</u>	All	Pending			
23/24	For more information on RIAA's policy and advocacy work, please contact: Nayanisha Samarakoon (Head of Advocacy and Policy)	All	Pending			

22/24	If you have any inputs on the Human Rights Working Group's work plan, Please contact <u>Jess Rowe (Manager of Working Groups)</u>	All	Pending
	Previous		
21/24	Next Meeting – Thursday, 22nd August (12pm to 1:30pm AEST/2pm to 3:30pm NZST) – <u>Register Here</u>	All	Complete
20/24	Submit any amendments to the Minutes to Noa Godsell (RIAA)	All	Ongoing
19/24	For more information on RIAA's Policy Work, please contact: policy@responsibleinvestment.org	All	Ongoing
18/24	If you have any inputs on the Human Rights Working Group's work plan for 2024, Please contact <u>Jess Rowe (RIAA)</u>	All	Ongoing
17/24	For more information regarding the Conflict Subgroup, please contact, <u>Jess Rowe (RIAA)</u>	All	Ongoing
16/24	For more information regarding the Modern Slavery Subgroup, please contact, <u>less Rowe (RIAA)</u>	All	Ongoing
15/24	For more information regarding the AI and Human Rights Investor toolkit, please contact the Subgroups point person, <u>Janelle Morrison (AusBil)</u>	All	Ongoing
14/24	For more information regarding the Rights Intelligence Major Project, please contact, <u>Anne-Marie Brook (Rights Intelligence)</u>	All	Ongoing
13/24	For more information regarding the Stock Watch Report, please contact, Phil Sloane (ISS)	All	Ongoing
12/24	To access the special presentation, please log in to your Member Portal and select; 1. "LEARN" (top bar), 2. "Member Only Resources" (bottom of drop-down menu), 3. "Working Groups" (Yellow Tile), 4. "Human Rights Working Group" (Scroll Down, Yellow Box), 5. "2024 Meetings And Special Presentations" (Scroll Down, Underneath Working "Group Details") and then underneath the title: "2 – Thursday 30 May 2024 – Mandatory Human Rights Due Diligence", you will find the recording of the special presentation, the Pre-meeting papers, and the Post meeting papers. If you require any assistance please contact, Noa Godsell (RIAA)	All	Ongoing
11/24	Next Meeting - Thursday 30 May - Register <u>HERE</u>	All	Completed
10/24	Submit any amendments to the Minutes to Noa Godsell (RIAA)	All	Complete
9/24	Contact <u>Jess Rowe (RIAA)</u> or <u>Måns Carlsson OAM (Chair)</u> with any inputs on the working work plan for 2024	All	Ongoing
8/24	For more information on RIAA's Policy Work, please contact Nayanisha Samarakoon (RIAA)	All	Complete
7/24	For more information on the 2024 Working Groups or the RIAA conference, please contact Noa Godsell (RIAA)	All	Complete

6/24	Reform Armed Conflict Sub-Working group	Kate Turner (First Sentier)	Ongoing
5/24	For more information on the Armed Conflict Toolkit, please contact <u>Kate Turner (First Sentier)</u>	All	Completed
4/24	For more information on the AI and Human rights investor toolkit please contact <u>Jess Rowe (RIAA)</u>	All	Completed
3/24	For more information on the stock watch report, please contact Phil Sloane (ISS ESG)	All	Completed
2/24	For more information on regulatory changes in relation to labour rights and the workplace, please contact <u>Dr Meredith Nash</u> (KPMG)	All	Completed
1/24	For more information on regulatory changes in relation to labour rights and the workplace, please contact <u>Samantha Ramsay (HRC)</u>	All	Completed

Attendance (51):

	First Name	Last Name	Company
1	Matthew	Spithill	Acacia Capital Partners
2	Georgia	Vitale	Acacia Capital Partners
3	Mishwaza	Monsur	Anthesis Australia Pty Ltd
4	Helen	Skinner	ANZ New Zealand Investments Limited
5	Mitch	McNae	ANZ New Zealand Investments Limited
6	Janelle	Morrison	Ausbil Investment Management Limited
7	Mans	Carlsson OAM	Ausbil Investment Management Limited
8	Ella	Robinson	Australian Ethical Investment
9	Emily	Dafter	Australian Retirement Trust
10	Liza	McDonald	Aware Super
11	Kutlu	Karayol	Cbus
12	Marijana	Dunimagloski	CEFC
13	Holly	Gillingham	Clean Energy Finance Corporation
14	Caroline	Paterson	Colonial First State
15	Tejaswi	Pagadala	DFA Australia Limited
16	Jeffrey	Jackson	Dimensional Fund Advisors
17	Marie	Cardaci	Frontier Advisors Pty Ltd
18	Kana	Thorpe	Funds SA
19	Terina	Williams	Guardians of New Zealand Superannuation
20	Lizzy	Sun	Harbour Asset Managemement
21	Sarah	Hill	HESAT

22	Phil	Sloane	ISS ESG
23	Ellie	Davies	Jarden Australia
24	Sati	Nagra	King & Wood Mallesons
25	Andy	Symington	KPMG Banarra
26	Gemma	Livingston	KPMG New Zealand
27	Els	Termaat	Loftus Peak Pty Limited
28	Grace	Gow	Macquarie Asset Management
29	Emma	Pringle	Maple-Brown Abbott
30	Timothy	Stamp	Mercer
31	Frida	Panayi	Metrics Credit Partners
32	Bella	Sigley	Milford Asset Management
33	Rachel	Tinkler	Mint Asset Management
34	Nga	Pham	Monash Business School/Australian Centre for Financial Studies
35	Dr James	Cockayne	Office of the NSW Anti-slavery Commissioner
36	Lauren	Solomon-Walters	Perpetual Group
37	Carmen	Leung	Perpetual Group
38	Peter	Brooke	Platypus Asset Management
39	Abi	Curtis	PRI
40	Adrian	Cullen	QPE
41	Sarah	Wyndham	Queensland Investment Corporation
42	Conlan	Mackenzie	Rest
43	Briony	Doyle Galovic	RIAA
44	Jess	Rowe	RIAA
45	Nayanisha	Samarakoon	RIAA
46	Eduardo	Tejeda	RIAA
47	Eleanor	Fels	RIAA
48	Lisa	Domagala	Solaris Investment Management Limited
49	Catherine	Bodnar	Trust Management Investments Limited
50	Rachel	Alembakis	Uethical
51	Estella	Zhang	Uniting Financial Services



Recent human rights controversies - Update

Sandfire Resources Limited

An external probe has found that Sandfire Resources caused damage to Aboriginal cultural heritage at its Monty copper mine in Western Australia due to "ignorance and process failings." The damage, which occurred in 2017 and 2018 during the construction of a satellite mine, was only reported to the company in September 2023. Sandfire's chair, John Richards, admitted that the company's failure to protect the artefact scatters and address the issue promptly was unacceptable. The Yugunga-Nya traditional owners criticized the report for suggesting the damage was unintentional, expressing disappointment in the previous management's disregard for Aboriginal heritage. They are hopeful for better collaboration with Sandfire's new management team led by Brendan Harris. The probe highlighted that Sandfire's former executive management failed to implement proper heritage protection measures. The company has committed to improving its cultural heritage protection practices and has shared a draft of the investigation with the Yugunga-Nya. [Mining.com, 04/06/2024]

Investigation into Aboriginal heritage disturbance at the Monty Mine Report and recommendations https://www.sandfire.com.au/wp-content/uploads/2024/06/ExternalInvestigationintoDisturbanceofArtefactScatters.pdf

Fortescue Ltd.

Traditional owners from the Pilbara region, represented by the Yindjibarndi Ngurra Aboriginal Corporation (YNAC), have requested a state government inquiry into Fortescue Metal Group's (FMG) Solomon Hub iron ore mine. YNAC alleges that the mine has failed to meet adequate cultural and environmental protection standards. They argue that the mine, operational since 2011, has led to the destruction of 249 Yindjibarndi heritage sites and threatens 5,000 sacred sites. Despite winning a native title case in 2017, compensation discussions have stalled, with YNAC seeking over \$500 million from FMG for economic and cultural losses. YNAC's concerns include inadequate consultation with senior elders, potential water contamination, and environmental damage. They have petitioned WA's Environment Minister Reece Whitby to authorize an inquiry by the Environmental Protection Authority under section 46 of the Environmental Protection Act 1986. FMG maintains that it is committed to protecting cultural heritage and has strong relationships with local First Nations people. The state environment minister has yet to comment on the matter. [ABC, 24/06/2024]

BHP Group Limited

The High Court in London has ruled that BHP Group must cease funding legal action aimed at preventing Brazilian municipalities from pursuing a multi-billion pound lawsuit related to the 2015 Mariana dam disaster. The dam, operated by BHP's Samarco joint venture with Vale, collapsed, causing toxic tailings to flood the Doce River, resulting in 19 deaths, significant environmental



damage, and widespread displacement. The claimants, including over 720,000 Brazilians and 50 municipalities, are suing BHP in London. This lawsuit, one of the largest in English legal history, began in 2018, with a key trial scheduled for October 2024. BHP, which is a member of the Brazilian Mining Association (IBRAM) that sought to halt the lawsuit on sovereignty grounds, had funded IBRAM's Supreme Court motion. The ruling also affects BHP's financial involvement in the case. BHP has agreed to split potential damages with Vale and continues to face litigation in Britain, separate from Brazilian legal actions. The company has offered a \$26.09 billion settlement to Brazilian authorities and has previously funded over \$6 billion in rehousing and rehabilitation through the Renova Foundation, established to address the disaster's impact. [Reuters, 23/07/2024]

Rio Tinto Limited

The Panguna mine on Bougainville Island, once a major gold and copper source, left severe environmental and social damage after its operations ceased in 1989. In late 2022, human rights activists, the local government, and the mine's former operators collaborated on a comprehensive assessment of the mine's environmental damage. The forthcoming report to be published in August 2024 will guide negotiations for cleanup and compensation for affected communities. However, a May 2024 class-action lawsuit led by former rebel leaders and funded by anonymous offshore investors, seeking billions from the mine's former operators Rio Tinto and its former local subsidiary, Bougainville Copper Limited, threatens to undermine these efforts. The suit is driven by investors who stand to gain significantly if it succeeds, raising concerns about the distribution of any potential payout and the involvement of foreign interests in Bougainville's affairs. While the lawsuit aims to secure compensation for the affected communities, it is seen by some as a threat to local development plans and a potential divisive force in the already fragmented community. [OCCRP, 01/08/2024]

ISS-ESG.COM 2 of 2



Meeting #3 2024 | Thursday 22 August





Human Rights Working Group Meeting #4



Måns Carlsson OAM, Head of ESG at Ausbil Investment Management Limited and Chair of RIAA's HRWG



RIAA Working Group - Principles of Participation

- Confidentiality
- No self-promotion
- Declaration of conflicts of interest
- Representation
- Collaboration between members
- Positive change in practice / policy
- Not engage in or discuss competitively sensitive information
- Apolitical



Special Presentation & Q&A: Modern Slavery



Dr James Cockayne, the NSW Anti-slavery Commissioner



Industry Updates

StockWatch Report

Phil Sloane (ISS ESG)



Subgroup Updates

Modern Slavery

Måns Carlsson (Chair of Working Group)

Digital Tech

Janelle Morrison (Ausbil Investment Management Limited)



General Updates

RIAA's Policy and Advocacy Work

Nayanisha Samarakoon (RIAA)

Workplan for HRWG

Jess Rowe (RIAA)



Draft Workplan

	Initiative	Remarks	Tasks	Status	Collaborators
1	Modern Slavery Policy and Advocacy		Monitor policy and advocacy opportunities in AU/NZ /elsewhere RINZ panel session (Sept 2024) RIAU panel session (May 2025) Update Human Rights with a focus on supply chains toolkit Host Investor Round Table on Modern Slavery with the UN Special Rapporteur on Contemporary Forms of Slavery	1. Ongoing 2. In progress 3. Pending 4. Pending 5. Pending	
2	Human Rights Due Diligence (HRDD)	In response to workplan consultations during June 2024, this is a new initiative that will include heightened human rights due diligence (HHRDD).	Workshop on HRDD including HHRDD Case studies on the application of the Conflict and Human Rights toolkit Monitor continuing policy and advocacy opportunities	1. Pending 2. Pending 3. Ongoing	
3	Digital Tech and Human Rights	After the launch of the AI and Human Rights Toolkit in May 2024, this initiative will continue to serve as relevant updates and initiatives to socialize and continue to create awareness of the topic.	Monitor continuing policy and advocacy opportunities Support a campaign during Australia's AI month (14 October 2024 to 15 November 2024) through the release of case studies on the application of the toolkit.	1. Ongoing 2. Pending 3. Pending	



Draft Workplan

Initiative Remarks Tasks	Status	Collaborators
Host Keynote Speakers Ideas to be voted on: Diversity, Equity and Inclusion CSDDD (what companies & investors are putting Oxfam: Living wage (roll of investors) Government: understanding expectations on the investors Community: understanding expectations on the investors Modern Slavery in renewable supply chains Australian Federal Anti-Slavery Commissioner/Apending Modern Slavery Intersection of Human Rights and Nature How emerging EU law on CSDDD and CSRD with Australian investors Enhancing modern slavery assessment in our procompanies. Going beyond a risk assessmit fix it prevent it global workstream Hearing from US tech or All focused companies. Human Rights Act for Australia subject matter experts explain the key risks in paregions or commodities How to advocate with government to achieve stressing Geopolitics and Human Rights: Relationship to response to the stress of the stress	1. Pending ng in place) e role of role of Au Govt will impact cortfolio ment. "Find s. particular tronger ng on HRDD	Collaborators



Workplan Poll

Do you agree with the proposed workplan?

- Yes
- No

Is there anything materially missing or that you do not agree with?



Workplan Poll

Out of the following topics which top 3 would you like to see as a focus for presentations in future working group meetings?

- Diversity, Equity and Inclusion
- CSDDD (what companies & investors are putting in place)
- Oxfam: Living wage (roll of investors)
- Government: understanding expectations on the role of investors
- Community: understanding expectations on the role of investors
- Modern Slavery in renewable supply chains
- Australian Federal Anti-Slavery Commissioner/Au Govt pending Modern Slavery
- Intersection of Human Rights and Nature"
- How emerging EU law on CSDDD and CSRD will impact Australasian investors
- Enhancing modern slavery assessment in our portfolio companies. Going beyond a risk assessment. "Find it fix it prevent it" global workstream
- Hearing from US tech or AI focused companies.
- Hearing from solar panel companies.
- Human Rights Act for Australia
- subject matter experts explain the key risks in particular regions or commodities
- How to advocate with government to achieve stronger legislation
- Webinars with case studies of investors focusing on HRDD
- Geopolitics and Human Rights: Relationship to responsible investment



General Updates

Workplan for HRWG

Jess Rowe (RIAA)



Working Group Member Portal

All Working Group meeting minutes and recordings are uploaded to the RIAA Member Portal.

Access the portal using your Glue Up credentials here:

Working Group Meetings

Nature Working Group #3, Thursday 12 September - 12pm - 1.00pm AEST / 2pm - 3.00pm NZST

Aotearoa Collaborative Working Group #3, Tuesday 17 September 2pm – 3:30pm NZST/12pm to 1:30pm AEST

First Nations Peoples' Rights Working Group #4 , Thursday 24 October - 12pm – 1.30pm AEDT / 2pm – 3.30pm NZDT

Human Rights Working Group #4, Thursday 14 November - 12pm - 1.30pm AEDT / 2pm - 3.30pm NZDT



LAST CHANCE TO REGISTER

AOTEAROA NZ 2024

Mā te mahi, ka ora. Through work, we thrive.

19 September I Auckland







RESPONSIBLE INVESTMENT ASSOCIATION AUSTRALASIA

Level 2, 696 Bourke St Melbourne Vic, 3000 Australia

+61 3 7068 9456

info@responsibleinvestment.org responsibleinvestment.org

