

Meeting #4 2022 Post Meeting Papers

Via Zoom – Wednesday 9 November; 12:00pm – 1:30pm AEST / 2:00pm – 3:30pm NZST

Contents

Meeting minutes

Action Register

Attendees

Attachments

- 1) Meeting Slide Deck
- 2) Modern Slavery Act Joint Investor Statement

Minutes

Item	Action
<p>1. Welcome - Måns Carlsson (Chair, Ausbil)</p> <ul style="list-style-type: none">• Welcome and introduction of new members• Acknowledgement of Country• Motion to adopt Minutes from last meeting: Måns Carlsson (Chair, Ausbil)<ul style="list-style-type: none">○ Motion carried: Mark Lyster (Lyster & Associates)○ Motion seconded: Jackie Radisich (Future Super)	
<p>2. Special presentation + Q&A: Big Tech and Implications for Investors</p> <p>Daniel Child, Industry Affairs and Engagement Manager at Australian eSafety Commissioner</p> <ul style="list-style-type: none">• The eSafety Commissioner is Australia's online safety regulator. The guiding principles established by the Commissioner for online safety complaints and regulations are the Three Pillars: Prevention, Protection, & Proactive and systemic change. Prevention through education and outreach, Protection through citizen-focused investigation schemes, and Proactive and systemic change by guiding industry on how to minimise harms. These are underpinned through partnerships.• Marginalised communities remain at risk in eEnviroments due to a range of intersectional factors. While Aboriginal and Torres Strait Islander women experience similar impacts from in-person and technology-facilitated abuse, online some impacts appear to be amplified such as being socially isolated from kinship networks, and shaming. This is compounded by the barriers to support that these women face. Ongoing research has led to the development of resources to help at-risk communities manage tech-facilitated abuse. One example is the Be Deadly Online campaign, which you can engage with here. Other resources on the intersectionality of online ecosystems and other marginalised groups can be viewed here.• Harm prevention consultation has led to the development of Safety by Design, wherein product design consider the role organisations play in keeping users safe, user empowerment and autonomy, and transparency and accountability, such that the product preserves fundamental consumer and human rights. Companies who invest innovate for safer user experiences are likely to avoid regulatory investigations and a need for retrospective fixes later. An assessment tool was developed to evaluate practice and promote continual online safety improvements, generating a tailored result based on your inputs. There is a suite of resources and tools developed for companies of all sizes, investors, and financial entities, including an Investment Checklist.• RIAA will be developing a subgroup in collaboration with the eSafety Commissioner in 2023 to develop resources for investors to better target these issues from an investor perspective to further drive change.• <i>How can measures to protect communities online be merged with existing physical</i>	<p>To engage with existing eSafety resources, view the links in the Minutes.</p> <p>To express interest in joining the Big Tech Subgroup, please contact Antonia Bowlen (RIAA)</p> <p>For more information on the presentation, please contact Daniel Child (eSafety)</p>

infrastructure?

Online harms are a component of harms that are experienced in the physical world, so eSafety work closely with law enforcement to investigate and address issues that span the two. [Safety by Design](#) has allowed for greater considerations to be made, like how hardware can be weaponised to abuse people in real-world situations. One emerging example is immersive environments and augmented reality. As it becomes more common for physical experiences to be simulated, and interaction moves online, implementations must be made in the physical environment as well as the digital.

- *How do you balance the right to privacy with the right to safety?*

The discussion is often binary. With the example of children online, abusers have access to platforms and can directly message users under the age of 18. These situations can be largely mitigated by upholding privacy. So, these issues are complementary. There may need to be a trade-off and a slight dilution that one or the other, decided using a risk assessment according to the specifics of the circumstance.

- *In which countries are you seeing increased regulation regarding content?*

Around the world, legislation is up to various stages of creation and implementation. The regulators that we are engaging with most significantly, are in the UK, the EU, Canada, Ireland, and Singapore. If one Australian user interacts with a platform or service based internationally then they are covered by the legislation. We recognise there are risks with differing expectations and compliance obligations, that if it becomes too complex technology companies may not comply, or they might not operate in certain regions. An official, coordinated, global regulators network is currently in progress, and there will be a public announcement on that shortly.

- *What does best practice look like in this area, so that investors can model company behaviour worthy of encouragement?*

Organisations have implemented a [Safety by Design](#) approach as a response from an established company to better integrate it into future product iterations. One example is Zoom, which at the beginning of the pandemic encountered issues like Zoombombing. Since they have built-in features that prevent those issues from happening in the future. Other features are being developed to protect users, like Family Center within Snapchat, which gives parents visibility to the contacts of their children on Snapchat, without giving them access to the content of their conversations, therefore ensuring children's safety online, while maintaining their privacy.

- *What are the biggest challenges organisations face regarding data security?*

The broader economic environment currently is presenting some hurdles to further investment in safety. There's been a media buzz around recent happenings at Twitter, 50% of the workforce being laid off. The teams that were fired included human rights, trust and safety, and public policy teams. The environment is a real challenge for allocating resources to effectively address this issue. The appetite to invest in what's needed from a safety perspective is also lacking, both on the technology side and the people side, because when the majority or perhaps the main players aren't doing it, there isn't an incentive for the rest to do so.

- *How do you handle the pace of change in technology from a regulatory perspective?*

As an aspect of proactive and systemic change, work must be done horizon-scanning, and considering risks in the evolving environment. With the Metaverse, we anticipate that harms will evolve, and thus must consider what forms they may take. In the formative stage of Metaverse technology, this is an opportunity to embed Safety by Design to pre-emptively minimise damage. Discussions around safety considerations and e-safety such as one run by the World Economic Forum are considering safety alongside privacy and security. With the space changing so rapidly, engaging in those committees is vital. Additionally, considering the role that industry, education, and users in the development of these processes. As these issues evolve and new challenges present themselves, the work in this anticipatory space is ongoing.

- *Has there been strong and eager uptake of these recommendations by the key players in the tech space?*

Yes, many major players have endorsed and supported Safety by Design. We regularly engage with them to understand how they're innovating and to share best practices with smaller companies. We recognise the resources of large companies puts them at

<p>a significant advantage in this space, so we want to ensure that information goes to start-ups and smaller players, so they can consider how they might implement Safety by Design too.</p>	
<p>3. Subgroup Updates</p> <p>StockWatch Report – Recent Controversies (Måns Carlsson, Ausbil)</p> <ul style="list-style-type: none"> • Woolworths Modern Slavery Statement: They located modern slavery within their supply chain, with an agreement being drawn to return \$750,000 to 226 migrant workers and 132 passports returned to workers in Malaysia. Their report highlighted the high risk of forced labour in Malaysia, with other companies having made similar observations, implying structural labour regulation issues, as the labour hire fees there pose a strong issue. Woolworths' statement took ownership of their addressing of the modern slavery within their company, and have not received any widespread backlash • Myanmar Political Unrest: This is linked with the work of the Human Rights & Conflict Subgroup. Myanmar has received allegations of crimes against humanity and war crimes in the last 12-18 months. There have been Australian pressures to sanction Myanmar, however there are only a small number of countries in the ASX200 with ties to Myanmar, like Woodside, ALS and ANZ. ANZs ties to Myanmar bank Innwa have been scrutinised, and they are discussing an exit strategy which protects their staff. • Medibank User Data Scandal: Medibank Private Health Insurance refused to pay the ransom demanded by the hacker, leading to the leak of 9.7 million customers' data – more information here. <p>Human Rights and Conflict sub-group (Kate Turner, First Sentier Investors)</p> <ul style="list-style-type: none"> • In development of a toolkit for investors on Conflict, and a subgroup has been formed. This toolkit will examine human rights, conflict and international humanitarian law from an investor angle. A recent Red Cross survey of investors found that investors are unaware of how they can do more to address the issue. An outline of the toolkit has been finalised and work is being delegated at the upcoming subgroup meeting. • The toolkit will address broad questions surrounding definitions and existing laws, and how the frameworks interact. It will then target investor questions and concerns to drive change through thoughtful portfolio management. This will include the difficulties of risk identification, especially in supply chain. The Working Group will have the opportunity to engage with the toolkit in draft form once created. <p>Modern Slavery policy and advocacy sub-group (Måns Carlsson, Ausbil)</p> <ul style="list-style-type: none"> • The subgroup has collaboratively created a Joint Investor Statement (attachment 2) on the Modern Slavery Act, and resources for organisations to draft their own. There are several issues that the group felt unanimously strongly about, and they have been included, but other issues with have been written on separately can be included in individual submissions at company discretion. • The Working Group is interested in hearing about ongoing work in New Zealand on Modern Slavery further if anyone has knowledge of the discussions occurring. 	<p>To engage with the Human Rights & Conflict subgroup, please contact Kate Turner (First Sentier Investors)</p> <p>To engage with the Modern Slavery & Advocacy subgroup, please contact Måns Carlsson (Ausbil)</p> <p>To view or sign on to RIAA's Joint Investor Statement on the Modern Slavery Act, please contact Måns Carlsson (Ausbil) and Antonia Bowlen (RIAA)</p>
<p>4. Review of FY23 Workplan for Human Rights Working Group</p> <p>Issues that are of interest to the working group to focus on and be involved in next year include:</p> <ul style="list-style-type: none"> • FPIC: Consideration of Free, Prior and Informed Consent of Indigenous Peoples (read UNHR piece here). Canada is looking to codify this from an ethics perspective more broadly. This could potentially be investigated in collaboration with the First Nations Peoples' Rights Working Group. This document is often referenced in discussion of treaty, but native title does not adequately cover land and water rights, which is becoming a more common discussion. • Living Wage: Many different assessments and certification schemes (eg. BCorp) exist, which makes the conversation complex. For the working group this could take the form of a special topic presentation to inform global investors. Alan Dayeh (Point Advisory) is happy to facilitate this. • Child Rights: UNICEF is looking to spread information to investors. Robyn Parkin (Ethical Funds Management) would be willing to lead on work in this area, following her work on nutrition (see below). 	<p>To suggest topics for HRWG in 2023, please contact Min Wah Voon (RIAA)</p>

<p>5. Additional Updates</p> <p>Member Musing by Robyn Parkin (Ethical Partners Funds Management) - Food and Nutrition: An Important Focus for Responsible Investment</p> <ul style="list-style-type: none"> Public health has had less focus from investors recently with rising concerns about climate and nature, but the UNDHR prescribes an explicit right to health, thus incorporating access to food and nutrition as human rights. Climate change creates a compounding force: soil health impacts profiles and thus reliance on processed foods, cost of living impacts access and affordability of healthy food, malnutrition rates of First Nations people, and the rising obesity epidemic (67% of Australian adults and 25% children). This poses an opportunity for investors to drive change. Regulations like the UK's sugar taxes have been monumental. To take an approach in addressing child rights, marketing must be addressed, including food labels, location of products in supermarkets, and advertising. The Access to Nutrition Initiative has been engaging with investor expectations on nutrition, diet, and health statements, and working with brands like Coca Cola. The Obesity Policy Coalition is also calling for responsible investment involvement. There is opportunity for this to take a role in the responsible investment agenda and have great impact. <p>Responsible Investment Australia 2023 Conference (Estelle Parker, RIAA)</p> <ul style="list-style-type: none"> Conference is confirmed for the 10th and 11th May 2023 at the Melbourne Exhibition Convention Centre and is hybrid online. Please register here Human Rights Working Group usually runs one session at the conference, but there are several sessions on a variety of human rights topics. Please contact Estelle with suggestions of topics or speakers you would be interested in. 	<p>Read Member Musing here</p> <p>Register for RI Conference 2023 here</p> <p>Suggest speakers and topics for the RI Conference by contacting Estelle Parker (RIAA)</p>
<p>6. For Information</p> <p>Ms April Klineberg is conducting interviews for her PhD on how the superannuation industry can implement a human rights-based approach to superannuation. If you are interested in interviewing anonymously for her study, please contact her.</p>	<p>To participate anonymously in PhD survey, please contact April Klineberg</p>
<p>7. Closing remarks - Måns Carlsson (Chair, Ausbil)</p> <p>Next meeting will be on 23 February 2023 – register here</p>	<p>Register for next meeting</p>

Action Register

Ref	Action	Delegation	Status
New			
40/22	Register here for the next meeting	All	Pending
39/22	Register for RI Conference 2023 here	All	Pending
38/22	Engage with eSafety's investor resources here	All	Pending
37/22	Engage with eSafety's research on human rights here	All	Pending
36/22	To express interest in joining the Big Tech Subgroup, please contact Antonia Bowlen (RIAA)	All	Pending
35/22	For more information on the Big Tech, please contact Daniel Child (eSafety)	All	Pending
34/22	To engage with the Human Rights & Conflict subgroup, please contact Kate Turner (First Sentier Investors)	All	Pending
33/22	To engage with the Modern Slavery & Advocacy subgroup, please contact Måns Carlsson (Ausbil)	All	Pending

32/22	To view or sign on to RIAA's Joint Investor Statement on the Modern Slavery Act, please contact Måns Carlsson (Ausbil) and Antonia Bowlen (RIAA)	All	Pending
31/22	To suggest topics for HRWG in 2023, please contact Min Wah Voon (RIAA)	All	Pending
30/22	Read Member Musing here	All	Pending
29/22	Suggest speakers and topics for the RI Conference by contacting Estelle Parker (RIAA)	All	Pending
28/22	To participate anonymously in PhD survey, please contact April Klineberg	All	Pending
Previous			
27/22	Register here for the next meeting	All	Complete
26/22	Members can engage in the consultation with the MSA. Read the issues paper here	All	Ongoing
25/22	Get in touch with Min Wah Voon (RIAA) regarding research and updates	All	Ongoing
24/22	For more information on ShareAction's new health programme , get in touch with Louisa Hughes or explore here	All	Ongoing
23/22	Register here for the ATNI online webinar event on the 11 October	All	Complete
22/22	Engage with the government-funded survey on the effectiveness of Australia's MSA 2018	All	Ongoing
21/22	For more information on the Stockwatch Report, please contact Clare Bartram (ISS ESG)	All	Complete
20/22	Members are encouraged view KPMG & RIAA's landmark Human Rights and Climate Change Report . Members should consider future WG action on this topic for the next meeting.	All	Ongoing
19/22	Register for the next meeting here .	All	Complete
18/22	For more information on research and updates, get in touch with Min Wah Voon (RIAA)	All	Ongoing
17/22	For more information on the FY23 Workplan, get in touch with Min Wah Voon (RIAA)	All	Ongoing
16/22	Members interested in discussing Aotearoa NZ Modern Slavery Legislation, please get in touch with Min Wah Voon (RIAA)	All	Ongoing
15/22	For more information on research and updates, get in touch with Min Wah Voon (RIAA) to join subgroup	All	Ongoing
14/22	For more information on StockWatch, please contact Clare Bartram (ISS ESG)	All	Complete
13/22	Members are encouraged to contact Jonathan Kolieb and Fauve Kurnadi regarding the Special Presentation.	All	Complete
12/22	Register for our next meeting here .	All	Complete
11/22	Additional feedback on Breakout Session is welcomed. Please contact Min Wah Voon (RIAA)	All	Complete
10/22	Members can provide feedback on Draft Workplan 2023 to Min Wah Voon (RIAA)	All	Complete
9/22	Feedback is welcomed on Member Portal	All	Ongoing
8/22	Members interested in financially supporting outputs of the FNPRWG can contact Min Wah Voon (RIAA)	All	Ongoing
7/22	Contact Min Wah Voon (RIAA) for a recording of the FNPRWG meeting.	All	Ongoing

6/22	For further details on StockWatch report please contact Kate Lawrence (ISS ESG)	All	Ongoing
5/22	To participate in the Modern Slavery subgroup please get in touch with Min Wah Voon (RIAA)	All	Ongoing
4/22	Questions can be directed to Freya Dinshaw 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 Jill Houghton and Brian Horn	All	Complete
1/22	Members interested in signing the investor letter on Disability:IN can find more information here .	All	Ongoing

Attendees (44)

	First Name	Last Name	Company
1	Alan	Dayeh	Point Advisory
2	Alison	Ewings	Regnan
3	Amy	Krizanovic	Magellan Group
4	Antonia	Bowlen	RIAA
5	Ayesha	Azeem	Maple-Brown Abbott
6	Bastien	Mignonneau	QBE Insurance Group
7	Briony	Doyle Galovic	RIAA
8	Carey	Church	Moneyworks NZ Ltd
9	Caroline	Paterson	Colonial First State
10	Charlotte	O'Meara	Challenger Limited
11	Chris	Newton	Stakeholder Capital
12	Daniel	Child	Australian eSafety Commissioner
13	Desiree	Lucchese	U Ethical
14	Emily	Morris	RIAA
15	Estelle	Parker	RIAA
16	Grace	Gow	Macquarie
17	Grace	O'Hanlon	Milford Asset Management
18	Graeme	Barry	Australian Retirement Trust
19	Iona	Richardson	Troweprice
20	Jackie	Radisich	Future Super
21	Jennifer	Surjadi	First Sentier Investors
22	Johannah	Dods	Accident Compensation Corporation
23	Kaitlin	Priestley	Pinnacle Investment Management
24	Karen	McWilliams	Chartered Accountants Australia and New Zealand
25	Kate	Gill-Herdman	Corrs Chambers Westgarth Lawyers
26	Kate	Turner	First Sentier Investors
27	Kathryn	Sarkies	PwC Australia
28	Kaylene	Oneill	NAB
29	Lauren	Solomon	Perpetual Limited
30	Lisa	Domagala	Solaris Investment Management Limited
31	Liza	McDonald	Aware Super
32	Måns	Carlsson	Ausbil Investment Management
33	Marie	Cardaci	Frontier Advisors
34	Mark	Lyster	Lyster & Associates
35	Mark	Tindale	Ord Minnett

36	Pooja	Shirangi	Cbussuper
37	Richard	Meech	Australian eSafety Commissioner
38	Robyn	Parkin	Ethical Partners Funds Management
39	Rosemary	Bissett	National Australia Bank
40	Shanti	Stratton	Sustainalytics Australia Pty Ltd
41	Steffan	Berridge	Kiwi Invest
42	Susan	Quinn	RIAA
43	Suzanne	Ballard	KPMG Banarra
44	Timothy	Stamp	Mercer

Human Rights Working Group Meeting #4

Wednesday 9 November



Responsible Investment
Association Australasia



Human Rights Working Group Meeting #4



Måns Carlsson OAM, Chair of RIAA's Human Rights Working Group, RIAA Board Member and Head of ESG research at Ausbil Investment Management

RIAA Human Rights Working Group's purpose

The HRWG is a forum for members to:

- Exchange information and resources
- Update on members' activity
- Collaborate on policy and research, implementation and advocacy opportunities on matters relating to human rights relevant to investors, researchers and advisers

All this is aimed at building members' understanding and capabilities for assessing and respecting human rights, mitigating risks in investment and strengthening the companies in which funds are invested.

RIAA Working Group – Principles

- 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

Principles of participation

- Sensitivity - Chatham House Rule
- Humility - no self-promotion
- Reciprocity - equal effort/equal reward
- Ethicality - conflicts of Interest

Special Topic Presentation + Q&A: eSafety and Human Rights



Daniel Child, Industry Affairs and Engagement Manager at the Australian eSafety Commissioner

Updates from subgroups

- StockWatch Report – Recent Controversies (Måns Carlsson, Ausbil)
- Human Rights and Conflict sub-group (Kate Turner, First Sentier Investors)
- Modern Slavery policy and advocacy sub-group (Måns Carlsson, Ausbil)
 - Joint Investor Statement & Additional Individual Submissions

Additional Updates

- Member Musing: Food and Nutrition: An Important Focus for Responsible Investment (Robyn Parkin, Ethical Partners Funds Management)
- RI Australia 2023 conference (Estelle Parker, RIAA)

Upcoming meetings and events

Nature Working Group, Thurs 24 November - 12pm–1.30pm AEDT / 2pm–3.30pm NZDT

2023 meetings

First Nations Peoples' Rights Working Group, Thurs 16 February - 12pm–1.30pm AEDT / 2pm–3.30pm NZDT

Human Rights Working Group, Thurs 23 February - 12pm–1.30pm AEDT / 2pm–3.30pm NZDT

Nature Working Group, Wed 22 March - 12pm–1.30pm AEDT / 2pm–3.30pm NZDT

View full list of [RIAA's events here](#).



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Responsible Investment
Association Australasia

RIAA HUMAN RIGHTS WORKING GROUP – INVESTOR SUBMISSION

We, a coalition of investors, welcome the review of the Modern Slavery Act 2018 (“the Act”) as well as the opportunity to provide our views during the consultation period. This coalition is formed of: Solaris Investment Management Ltd, Future Super, Perpetual, Melior Investment Management, Adamantem Capital, Colonial First State, First Sentier Investors, Ausbil, Aware Super, Ethical Partners Funds Management, and Responsible Investment Association Australasia.

We believe investors are an important stakeholder group in the review of the Act because of our dual role of being both reporting entities and readers of modern slavery statements.

As investors, we see modern slavery and other types of labour exploitation as issues that go beyond ethics; in our view, modern slavery represents a number of investment risks, including reputational risk and brand damage as well as earnings sustainability risks. In recent years, a number of such examples have emerged.

Fundamentally, investors prefer stable earnings; a business model that relies on underpaid workers, weak regulation or illegal activities, such as modern slavery, will unlikely produce sustainable earnings. As a result, we support strong regulation to combat modern slavery. We also note a number of other regulatory developments globally.

Because of the nature of and estimated global prevalence of modern slavery, the issue poses a systemic risk to investors; it can be difficult for investors to diversify away modern slavery risk in an investment portfolio. However, investors can play an important role through actions, such as engagements with entities we invest in and through collaboration; in recent years, a number of investor initiatives have emerged in order to combat slavery.

In terms of effectiveness of the Modern Slavery Act since its introduction, the Act has resulted in greater awareness of modern slavery and resulted in a framework for reporting. However, to date, few companies have identified instances of slavery.

Below are suggested areas to consider as part of the review of the Act.

Independent Anti-Slavery Commissioner

We strongly support the establishment of an independent Commonwealth Anti-Slavery Commissioner. The UK Modern Slavery Act 2015 and NSW Modern Slavery Act 2018 provide models for the Federal Government to consider in designing the new role in terms of functions, planning and reporting, and independence.

Key functions should include providing awareness raising and training, monitoring the effectiveness of legislation and policy, conducting research and publishing reports to provide information and recommendations, ensuring victims have access to remedy and services, and collaborating with and coordinating relevant government (including law enforcement agencies), non-government and business stakeholders and industry bodies.

The Commissioner's scope should be wider than the Modern Slavery Act and encompass all national responses including under the National Action Plan. The role should be truly independent of government to ensure that it can hold all stakeholders to account.

Periodic reviews of the Modern Slavery Act

The present statutory review of the Modern Slavery Act has given us a timely opportunity to reflect, discuss and explain what could work better in the design and administration of the legislation. It also provides an opportunity to make enhancements so that the Australian Modern Slavery Act does not fall behind other regulatory measures globally.

We observe it has been a useful process and would recommend that a further three-year review be added to track progress and make improvements. In particular, we suggest that the next review include a mandate to consider if Australia should introduce a standalone mandatory human rights due diligence law to bring us into line with European developments. Many investors and companies will be following new mandatory human rights due diligence laws by then.

Australia was at the forefront of legislative responses to require corporate responsibility to respect human rights when it passed the Act in 2018, but we fear it is in danger of falling behind the global shift to adopting broader due diligence frameworks that cover all international human rights standards. Some of these standards are also important in preventing modern slavery from occurring; for instance, labour and human rights relating to freedom of association, collective bargaining and minimum wage, and migrant workers and their families. Mandatory periodic reviews could be led by an Anti-Slavery Commissioner.

Publicly naming companies that fail to comply

It is critical for companies to take modern slavery risks seriously, and that they are held to account if they fail to do so. We support increased powers for government to publicly name companies that fail to comply with the reporting obligations following two formal warnings. This has the potential to improve compliance with the Australian Modern Slavery Act.

National modern slavery hotline

Consider introducing a mechanism through which individuals can report suspected instances of modern slavery, independent of the Act's reporting process. This could be in the form of a multilingual hotline on modern slavery. We note that only a small number of cases of modern slavery have been reported in the first three years of operation of the Act. This could indicate that company-based grievance mechanisms might not be working effectively, and a national hotline could serve as another option. We recognise that hotlines imply a duty of care to affected persons, therefore the appropriate infrastructure needs to be built in so that the hotline is fit for purpose. Furthermore, the introduction of a hotline would need to be accompanied by additional government funding to promote awareness of it and to manage responses. Alternatively, the national hotline currently operated by the Australian Federal Police or of the Australian National Contact Point could be extended.

Publication of a list of companies required to report

It is critical for companies to take modern slavery risks seriously, and that they are held to account if they fail to do so. The publication of a list of companies that are required to report under the Modern Slavery Act reduces the risk of companies avoiding their reporting obligations. As investors, this would help us to identify companies that fail to report.

[Updates to guidance](#)

Below are a series of recommendations for updating the guidance for the Australian Modern Slavery Act:

- An updated version of the guidance should encourage best practice and include examples of such best practice across all mandatory reporting requirements. We believe this would align with the aim of the Act to encourage a race to the top.
- The guidance should emphasise that addressing modern slavery requires a comprehensive approach to all forms of labour exploitation based on the UN Guiding Principles on Business and Human Rights. For example, if there are multiple severe labour issues that have not been addressed by companies (such as non-payment of wages, excessive working hours, lack of freedom of association, discrimination, threat and abuse) it points a systemic problem and, in these cases, modern slavery is more likely to occur. These labour issues should be considered red flags for modern slavery based on their severity and occurrence.
- The guidance could be strengthened in remediation, which will likely become a bigger theme in the future as reporting entities' risk assessments become increasingly sophisticated. This should include guidance on what preventative remedy, and what restorative remedy entails.
- The guidance could provide more clarity on what it means to 'measure effectiveness' of the actions taken to address modern slavery.
- The mandatory reporting requirements within the guidance could include more nuanced guidance for a variety of organisations. For example, in asset management Trusts have very different structures and purposes than companies, therefore specific guidance notes would be helpful.
- The guidance could encourage reporting entities in high-risk industries to expand their modern slavery assessment to include an all-of-value-chain approach on a risk-based basis.