

Ethical Investment Guide to Human Rights and Modern Slavery

This guide focuses on one of the biggest human rights challenges today - modern slavery - and shows how Financial Advisers with expertise in ethical and responsible investment can help you invest for change.



How big is the problem?

What are Human Rights and Modern Slavery?

Human rights are the basic rights we all have simply because we are human. They are universal and inalienable. The **United Nations Declaration of Human Rights** adopted by the UN General Assembly in 1948, was the first legal document to set out the fundamental human rights to be universally protected.

Modern slavery has been **defined** by Walk Free as: 'situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power.' Modern slavery includes:

- Forced labour - work done under threat or coercion.
- Debt bondage - trapped working to repay an unpayable debt.
- Human trafficking - recruitment or movement of people for exploitation.
- Child labour - work harmful to children or depriving them of education.

- 50 million people are estimated to be living in modern slavery worldwide.
- Women and girls make up 54% of all victims, and 12 million are children.
- Everyday products- from smartphones to sneakers - may be linked to modern slavery.

The International Labour Organization estimates forced labour in the private economy generates **US\$236 billion** in illegal profits each year - a 37% increase since 2014.

Why it matters to investors? Reduce Risk and Negative Impacts

1. **Operational Risk** Supply chain abuses can lead to investigations, shutdowns, or import bans.
2. **Legal Risk** Modern slavery reporting laws are expanding worldwide.
3. **Reputational Risk** Links to modern slavery can cause public backlash.
4. **Social Responsibility** Ethical investors don't want profits built on exploitation.

CASE STUDY

WOOLWORTHS GROUP

First major company in Australia to report actual modern slavery cases under the Modern Slavery Act. Identified forced labour in its Malaysian supply chain and returned A\$734,000 in wages to 230 migrant workers. Uses audits, worker feedback, and union engagement to detect and address issues.

What Financial Advisers look for from Fund Managers

When rating and recommending funds, Financial Advisers with ethical investment expertise favour those that:

- ✓ Publish a Modern Slavery Statement.
- ✓ Use the Walk Free Global Slavery Index to map risk.
- ✓ Assess all portfolio companies for modern slavery indicators.
- ✓ Engage directly with companies and join collaborative investor groups.
- ✓ Push for stronger company reporting and governance.
- ✓ Support the UN Guiding Principles on Business and Human Rights.
- ✓ Share outcomes from their engagements with companies.



CASE STUDY

FIRST SOLAR

Leading global solar panel manufacturer. Found migrant workers in Malaysia facing unethical recruitment practices. Required providers to return passports and repay fees, updated contracts to prevent recurrence, and developed a reimbursement plan. Publicly disclosed findings and received praise from experts for robust due diligence.



"There is a growing awareness that no investment is immune from modern slavery risks. Yet, there's limited understanding of how investors should address these risks, and the role they can play in providing or facilitating access to remedy to those who have experienced modern slavery."

Serena Grant, Director of Business and Human Rights, Walk Free



"Investors and stewards of capital have a unique opportunity to influence meaningful change in how businesses approach human rights across their value chains...As investors, businesses, governments and consumers, we all share responsibility for challenging harmful practices and creating conditions where rights are respected throughout global commerce."

Chris Evans, Australian Anti-Slavery Commissioner

Ask your Financial Adviser

Ask your Financial Adviser about how your investment plan and portfolio take human rights and modern slavery into account. For more detailed information see the **RIAA Investor Toolkit: Human Rights in Global Value Chains** which inspired this guide. You can find a Financial Adviser with expertise in ethical and responsible investment via the following links:

**RIAA Certified
Financial Adviser**



**Ethical Advisers'
Co-op Financial Adviser**

