

Modern Slavery & Remediation – An Investor's Guide

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First Sentier MUFG
Sustainable Investment Institute



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01 | About the institute and its sponsors and partners

About the Institute

The First Sentier MUFG Sustainable Investment Institute (the Institute) provides research on topics that can advance sustainable investing. As investors, both First Sentier Investors and MUFG recognise our collective responsibility to society and that investment decisions should be made with consideration to our communities both now and in the future.

The Institute commissions research on Environmental, Societal and Governance (ESG) issues, looking in detail at a specific topic from different viewpoints. The Institute recognises that investors are now looking in far greater depth, and with far greater focus, at issues relating to sustainability and sustainable investing.

These issues are often complex and require deep analysis to break down the contributing factors. If as investors we can better understand these factors, we will be better placed to consider our investment decisions and use our influence to drive positive change for the benefit of the environment and society.

The Institute is jointly supported by First Sentier Investors (FSI) and Mitsubishi UFJ Trust and Banking Corporation, a consolidated subsidiary of MUFG. Representatives of both organisations will provide input to the activities of the Institute.

An Academic Advisory Board advises the Institute on sustainability and sustainable investment research initiatives. The Academic Advisory Board comprises prominent leaders from academia, industry and nongovernmental organisations in the fields of Responsible Investment, climate science and related ESG endeavours. The Board provides independent oversight to ensure that research output meets the highest standards of academic rigour.

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About First Sentier Investors



First Sentier Investors (formerly First State Investments) is a global asset management group focused on providing high quality, long-term investment capabilities to clients. We bring together independent teams of active, specialist investors who share a common commitment to responsible investment and stewardship principles. These principles are integral to our overall business management and the culture of the firm.

All our investment teams – whether in-house or individually branded – operate with discrete investment autonomy, according to their investment philosophies.

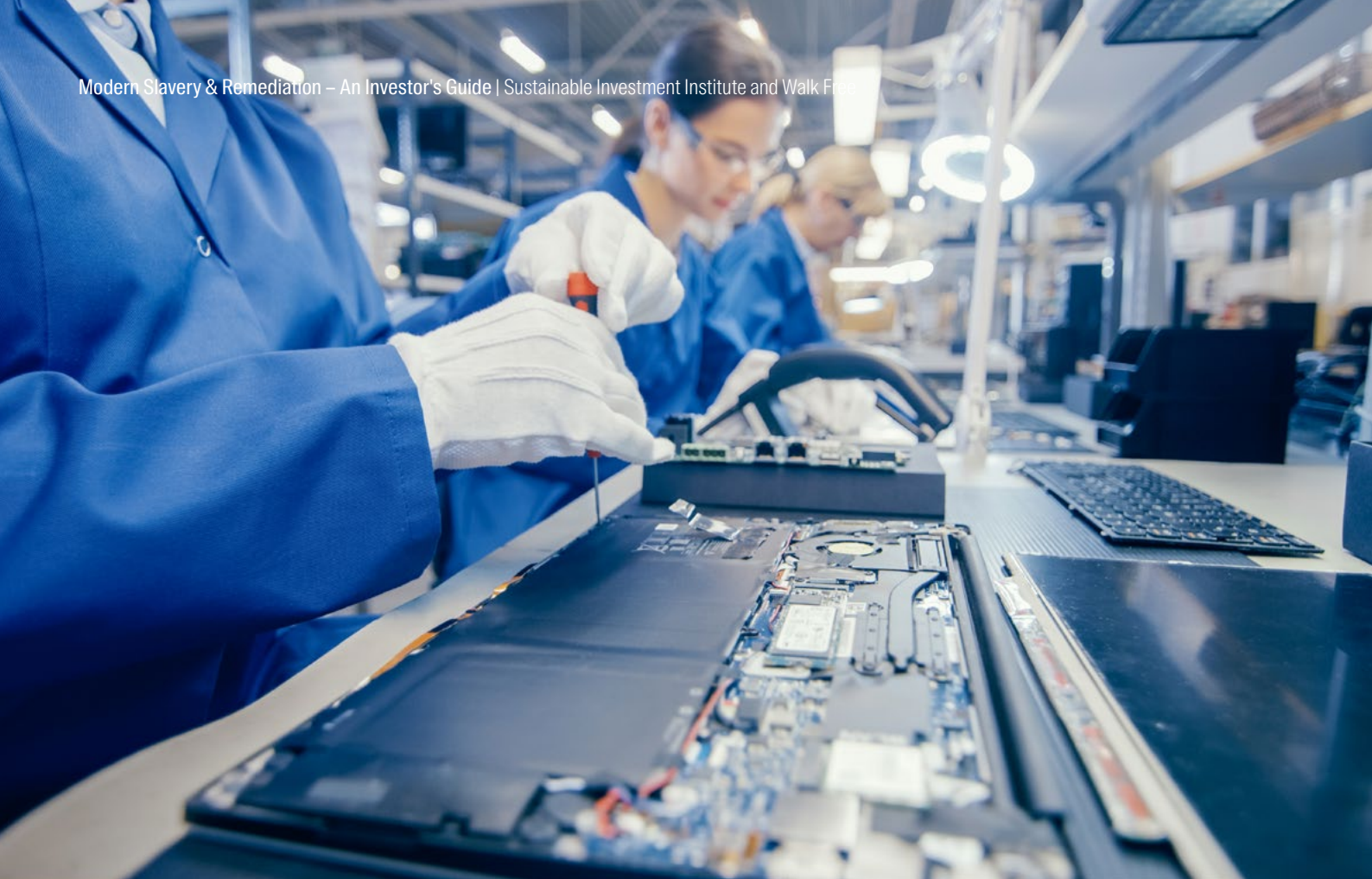
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About MUFG



Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with approximately 2,000 locations in more than 40 countries. The Group has about 120,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges.

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About the Trust Bank

Mitsubishi UFJ Trust and Banking Corporation, as a core member of MUFG, provides its customers with a wide range of comprehensive financial solutions leveraging unique and highly professional functions as a leading trust bank. Such financial solutions include real estate, stock transfer agency, asset management and investor services, and inheritance related services, in addition to banking operations. We aim to realize our vision to be the trust bank that creates “a safe and affluent society” and “a bright future with our customers together” by always supporting our customers' and society's challenges based on Trust, and thus created a new key concept: “Trust Drives Our Future”.

<https://www.tr.mufg.jp/english>

About Walk Free



Walk Free is an international human rights group, working to accelerate the end of modern slavery in all its forms. Walk Free produces the Global Slavery Index and other world-leading research, which provides an evidence base for its advocacy and engagement with business, investors, governments and faith to drive better practices. Part of the Minderoo Foundation, Walk Free is headquartered in Perth, Western Australia with an international team.

<https://www.walkfree.org>

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02 | Executive summary

Modern slavery impacts every country and supply chain in the world, with 49.6 million people estimated to be living in modern slavery globally, and 27.6 million in forced labour.

Businesses and investors may be exposed to these human rights abuses either through their direct operations or supply chains. Through this exposure, businesses and investors also have a responsibility to respect human rights, prevent violations, and ensure that remediation is provided or facilitated. This report examines the role that investors can play in facilitating remedy and explores case studies which provide examples of remediation in practice.

Modern slavery is a violation of fundamental human rights and a serious criminal offence. Businesses including investors are increasingly expected to assess and address modern slavery risks and provide or enable remediation of modern slavery cases in their operations and investments. If they fail to do so, they can face growing legal, reputational and

financial risks. Remediation can take many forms, but ultimately it aims to 'make good' the harm that has occurred via financial compensation or non-financial measures such as facilitating access to health, legal or psychosocial services, repatriation, and taking actions to prevent future harms. Whether modern slavery incidents directly or indirectly occur in an investee company's operations or supply chains, investors have an opportunity to enable or provide remedy.

An overview of the remedial actions investors can pursue before, during and after finding cases of modern slavery has been outlined in the table below, along with notable examples from case studies included in this report. Further detail is provided on each step in the full report.

Remedy stage	Examples of how investors can enable remediation	Case studies
1. Before – to prevent investee companies causing or contributing to harm and prepare for finding and fixing cases	<ul style="list-style-type: none"> Require investee companies to have grievance mechanisms. Consider establishing a grievance mechanism accessible to stakeholders adversely affected by financed projects or investments. Strengthen the remedy ecosystem by advocating for robust business human rights and due diligence legal frameworks which include provision of remedy. 	<ul style="list-style-type: none"> ANZ launched a human rights mechanism available to stakeholders whose human rights might have been impacted by ANZ's institutional or corporate lending customers, see page 10. The Investor Alliance for Human Rights has advocated for national human rights due diligence legislation, and remedy-centric improvements to the EU CSDDD, see page 20.
2. During – to support investee companies through the remedy steps		
a. Investigate and verify	<ul style="list-style-type: none"> Support investee companies to identify the human rights impact and their relationship to harm. Where serious cases are reported, suggest the investee company appoints an internal investigative team. 	<ul style="list-style-type: none"> Shimano appointed an executive lead team to investigate their Malaysian supplier accused of labour violations, see page 13.
b. Remediate harm	<ul style="list-style-type: none"> Advise investee companies of their expectations to provide satisfactory remedy. Make time-limited demands for a company to provide access to remediation. 	<ul style="list-style-type: none"> Dutch Pension Fund's Agreement on Responsible Investment requires this approach, which was used by one of the funds to place pressure on Vale (investee company) to provide remediation following the dam collapse in 2019, see page 14.
c. Mitigate and prevent future harm	<ul style="list-style-type: none"> Use leverage to ensure an investee company follows up on their remediation commitments. Recommend investee companies develop corrective action plans. 	<ul style="list-style-type: none"> FSI continued to engage with an investee company accused of debt bondage and other labour abuses, leading to remediation of fees for 11,000 workers, see page 14.

<p>d. Escalation</p>	<ul style="list-style-type: none"> • If an investee company is uncooperative, be prepared to escalate engagement in order to increase leverage for providing remedy. Please note that divestment should be considered as a last resort, as it rarely goes hand in hand with remedy. 	<ul style="list-style-type: none"> • Paedagogernes Pension divested from Amazon following over five years of inconclusive engagement with the company regarding trade unions and collective bargaining, see page 17.
<p>e. Incident reporting and tracking</p>	<ul style="list-style-type: none"> • Require investee companies to develop and maintain modern slavery incident reporting and tracking systems in order to comply with relevant disclosure regimes and refine their approach to risk identification and remediation. 	<ul style="list-style-type: none"> • Modern slavery-related metrics reported by Bluescope include the number of suppliers screened and changes in their risk scores, grievances received and their outcomes, training, internal audits and on-site assessments and others, see page 18.
<p>3. After – to assist investee companies to learn lessons to better prevent cases</p>	<ul style="list-style-type: none"> • Encourage investee companies to review complaints and complaint handling, and take measures to prevent similar harm from reoccurring in the future. 	<ul style="list-style-type: none"> • Following Woolworths’ engagement with a supplier regarding a recruitment fees incident, the supplier introduced controls including assessment checklist for recruitment agencies, updated recruitment policy and a grievance procedure translated into workers’ languages, see page 16.

This report concludes with concrete recommendations to support investors to provide or enable remedy, including:

- Understanding existing obligations for businesses to provide or enable remedy, including relevant international frameworks (such as the United Nations Guiding Principles), and national legislation including human rights due diligence laws.
- Maximising leverage to influence company behaviour to effectively facilitate provision of remedy. This can comprise making use of the strong relationships with investee companies, collaborating with peers and other stakeholders, and being prepared to escalate engagements.

- Being prepared to engage with companies across various stages the remediation process, outlined in the table above.
- Considering wider stakeholder cooperation to strengthen the remedy ecosystem (e.g. engaging with policymakers and governments to advocate for effective frameworks for remedy provision) and joining innovative initiatives that aim to enable or provide remedy, such as collective remedy schemes (see page 21).



03 | Introduction

Forced labour, forced child labour and other forms of modern slavery are fundamental human rights violations as well as serious criminal offences. Modern slavery impacts every country, region, company and supply chain. The most recent Global Estimates of Modern Slavery found there were 27.6 million people in forced labour in 2021, of which 3.3 million were children². This is an increase of 2.7 million people since 2016.

Most forced labour occurs in the private economy – in services, manufacturing, construction, agriculture and domestic work sectors. Adult migrant workers are three times more likely to be in forced labour than non-migrant adults in the workforce, highlighting their increased vulnerability to exploitation.

Businesses and institutional investors have a corporate responsibility to respect human rights. International norms and frameworks such as the United Nations Guiding Principles on Business and Human Rights (UNGPs) are increasingly codified in law. Moreover, a focus on human rights is becoming a legislative priority in many jurisdictions. In the United Kingdom (UK) and Australia, disclosure laws require businesses and investors to report on steps they are taking to identify and address modern slavery risks. In France, Germany and Norway, human rights due diligence laws create an obligation for companies to conduct due diligence on their value chains and remediate adverse human rights impacts. The passing of the European Union's (EU) Corporate Sustainability Due Diligence Directive (CSDDD) earlier this year will mean that all EU member states will soon have to introduce laws that require certain companies to conduct human rights and environmental due diligence.

Businesses that fail to address modern slavery risks, face increasing legal, reputational and financial consequences. As stewards of capital, investors play an important role in enabling remediation and encouraging best practice actions to provide redress and resolution for human rights impacts. Together, businesses and investors will increasingly be able to mitigate and prevent these impacts and provide or facilitate remedy where harm has occurred.



Note

Meaning of remedy

Remedy is the provision of redress and resolution for human rights impacts incurred as a result of business activities.³ It can take a variety of forms such as an apology, prevention of future harms, financial or other compensation, access to healthcare services, repatriation of affected individuals, and other forms of remedy agreed by the parties. Actions should be informed by the affected stakeholders such as workers, and care should be taken to ensure that remediation is always adequate and appropriate – remedy ultimately aims to make amends. A key component of remedy is the prevention and mitigation of future harm. Measures may include conducting due diligence to detect business practices that could be placing workers at risk and introducing additional safeguards to mitigate that risk.

Grievance mechanisms, alongside broader response and remedy systems are critical to mitigate and prevent human rights violations from occurring. Investors should be ready to support the companies they invest in by understanding their key modern slavery risks, how they are connected to them, and the options for enabling remedy in their portfolios.

Investors can enable remedy in a number of ways. Company engagement is a likely starting point for supporting investee companies to provide remediation, either before, during and after they identify human rights incidents. If engagement does not result in investee companies providing effective access to remedy for harmed workers, investors can consider adopting a more active ownership approach, by requesting meetings with C-suite or Boards, collaborating with other investors, publishing their concerns about investee companies, proposing resolutions and voting to express views, and, ultimately, where no other options are available, divesting their holdings in companies that are unwilling to take action. In this guidance, we share our recommended actions to encourage or require investee companies to provide remedy. Where possible, we illustrate these suggestions with best practice case studies from investors, financial sector institutions and investee companies.

04 | Investor responsibility

Investor connection to human rights impacts

Given the potential exposure to adverse human rights impacts, either through their operations and/or investment portfolios, investors may be responsible for providing or enabling remedy.

The UNGPs are the global standard for corporate responsibility to respect human rights.⁴ They establish that businesses, including institutional investors⁵ should respect human rights and address human rights impacts when they are involved.⁶ The UNGPs recommend businesses have a policy commitment, a human rights due diligence process to identify, prevent, mitigate and account for how they address their human rights impacts, and processes to remedy adverse human rights impacts if they cause or contribute to them⁷.

The investor role in remedying human rights impacts depends on its relationship to the business activity causing harm. The UNGPs distinguish between causing, contributing to or being directly linked to harm.⁸ Investors can understand how they are connected by conducting human rights due diligence,⁹ allowing them to understand the role they are expected to play in remedy.

In addition to UNGPs, the corporate responsibility to address human rights impacts is increasingly being enshrined in national human rights due diligence legislation, with examples including France, Germany, Norway and laws to be introduced in accordance with the CSDDD by EU member states. (see Annex 1 for more information).

Sometimes, it may not be clear if investors contribute or are directly linked to harm because their connection can change over time. While there have been cases that suggest that investors can contribute to harm through investment in listed equity and debt investments, it is most likely that listed equities and fixed income investors will be directly linked to harm based on current views and the nature of the relationship. Factors such as the extent to which investors facilitate investee companies causing harm, whether investors should have known about harm (for example, having undertaken human rights due diligence responsibilities¹⁰), and what measures they have taken to address it, will increasingly need to be considered to determine the level or nature of involvement. In particular, it is crucial that investors understand how they can enable remediation if they are directly linked to harm, as failing to do so might be a relevant factor in contributing to harm in the future and being responsible for providing remediation.

	Causing harm	Contributing to harm	Directly linked to harm
Definition	Investors can cause harm in their operations, such as the exploitation of their employees. Investors might also cause harm through their investments where they own or control investee companies. ¹¹ Consequently, the size of investors' shareholdings in investee companies might become important in determining investors link to harm and what actions they should take to remedy it. ¹²	Investors can contribute to harm through their business activities, or their business relationships or investment activities that induce or facilitate investee companies to cause it. ¹³	Investors can be directly linked to harm through their investment activities, ¹⁴ specifically where they hold minority shares in investee companies causing or contributing to it.
Response	In situations where they have caused harm, investors are expected to play a direct role in remediating it. ¹⁵	Investors are expected to play a direct role in remediating harm if they contribute to it, as well as build and use leverage to influence other stakeholders that have contributed to harm to address it. ¹⁶	In these instances, investors are expected to enable remediation by using their leverage to influence other stakeholders causing or contributing to harm to address it, particularly their investee companies. ¹⁷

05 | Responding to business risk

Investors and businesses that do not manage modern slavery risk effectively throughout their business activities can expose themselves to legal, reputational and financial risks.¹⁸

In particular, regulatory risk is growing. Modern slavery disclosure laws are requiring stronger reporting on remediation, while human rights due diligence laws are providing new avenues for affected stakeholders to make complaints against companies and investors. In the near future, modern slavery disclosure laws such as the 2018 Australian Modern Slavery Act might include requirements to report on modern slavery incidents and grievance mechanisms, put due diligence processes in place, and add financial penalties to improve compliance.¹⁹ Notably, a recently approved EU Corporate Sustainability Due Diligence Directive will require companies in scope to remediate adverse human rights impacts, as well as establish an effective grievance mechanism to identify potential risks.²⁰ (See Annex 2 for further information on legal risk).

There is also a growth in import bans and controls that require remediation. Under the United States (US) Tariff Act of 1930, Customs and Border Protection (CBP) can withhold products produced with forced labour by issuing Withhold Release Orders (WROs). Modification or revocation of a WRO requires CBP to have evidence that the products are no longer produced using forced labour.²¹ Some recent WRO cases such as Naatchi Apparel and Top Glove indicate that remediation needs to be provided prior to modification of the WRO.²²

Failure to take swift and effective action to provide or enable remedy can also increase reputational and financial risks. Allegations of modern slavery incidents attract ongoing media scrutiny, which can be fuelled by a failure to take appropriate measures to remedy harm. This may also increase risks of litigation by third parties which can be expensive, disruptive and may take years to resolve.



Company case study

FGV – ongoing response to forced labour in Malaysian palm oil sector

Felda Global Ventures (FGV), a Malaysian palm oil producer, was initially investigated by the Roundtable on Sustainable Palm Oil (RSPO) in 2015 following the publication of allegations of labour and human rights abuses in the Wall St Journal. Investigations uncovered several indicators of forced labour among the FGV's workforce (such as document retention, restrictions on freedom of movement and freedom to contract, poor living and working conditions), which led to RSPO suspending its certification of the implicated FGV plantations in 2018.

During 2018, the FGV's stock price fell by more than two-thirds, and several prominent customers including Nestle and Unilever stopped working with the company.²³ Despite the company taking some measures in response to the RSPO findings, in 2020 CBP issued a WRO against palm oil products produced by FGV on the grounds of identifying forced labour indicators; this development was followed by a nearly 10% drop in FGV's stocks.²⁴ FGV responded to the WRO by reiterating its commitment to elimination of all practices indicative of labour exploitation and engaged an independent auditor to assess its operations and develop a remediation plan in 2021. In 2023, FGV announced that it will reimburse US\$24.9 million of recruitment fees paid by current and former workers, as well as providing additional payments of US\$18.24 million and US\$6.7 million that will be used to repay particular groups of workers.²⁵



06 | Enabling remediation in investee companies

Leverage, escalation and divestment

Leverage exists where investors have the ability to effect change in the practices of investee companies that are causing or contributing to harm.²⁶ Leverage also exists in the relationship between asset owners and asset managers.

Investors can build and exercise leverage over investee companies in the following ways:

- Investors can exercise commercial leverage over investee companies by holding shares and using ownership to engage with them.
- Investors can build leverage with investee companies through capacity building, awareness raising and providing other forms of support. Research suggests that companies are more likely to respond to investor engagement where the investor has a sound understanding of both the issue and the company, and is able to make a compelling case which communicates the benefits of action (or the risks of inaction).²⁷

- The length, depth and nature of investor relationships with investee companies can increase the leverage available to use if required.
- Investors can also collaborate with other investors, companies in the same industry and other interested stakeholders such as civil society organisations or trade unions to increase leverage over and guide or regulate investee company behaviour.²⁸

Asset owners can exercise leverage over asset managers by:

- Asking modern slavery risk identification and management questions as part of selection and ongoing monitoring processes.
- Building requirements related to modern slavery into investment mandates.

Options for investor escalation with investee companies are outlined on page 17.





Investor case study Using collaboration to build leverage

Research suggests that companies are more likely to respond to requests for action where there is strong shareholder consensus behind engagements.²⁹

There are a number of innovative collaborations within the investor community that can be used to build leverage with companies and better enable remedy. Below is a non-exhaustive list of current initiatives.

- Investors Against Slavery and Trafficking Asia Pacific (IAST APAC):** IAST APAC is a multi-stakeholder initiative, involving 49 investors, as well as non-governmental organisations (NGOs) and industry organisations. In addition to policy advocacy, IAST APAC is focused on company engagement to promote finding, fixing, and preventing modern slavery in operations and supply chains. The initiative is targeting 24 companies across consumer discretionary, consumer staples, technology and healthcare sectors, listed on the Australian and Asian stock exchanges.³⁰
- CCLA Find It Fix It Prevent It:** This collaborative engagement was developed to support the United Nations (UN) Sustainable Development Goal (SDG) Target 8.7 to eradicate forced labour and end human trafficking. The corporate engagement work stream of the initiative aids companies in developing and implementing processes for finding, fixing, and preventing modern slavery, and reports on its progress annually. After one of the target hospitality companies identified and disclosed high-risk indicators of forced labour, the engagement has moved to supporting the company in finding remedy for the affected parties and strengthening implementation of the modern slavery identification processes.³¹
- Stewart Investors conflict minerals in the semiconductor supply chain engagement:** Minerals key to electronics production, including tin, tantalum, tungsten, cobalt and gold are predominantly mined in regions vulnerable to violence and human rights abuses. Eliminating minerals sourced from those areas from the global supply chains is a complex task due to supply chain opacity. This collaborative engagement, founded in 2021 and supported by 160 signatories, aims to improve transparency in semiconductor supply chains.³² In 2024, Stewart Investors launched the Responsible Minerals Initiative (RMI) Investor Network to further leverage investment industry influence to facilitate responsible mineral sourcing.³³
- Principles for Responsible Investment (PRI) Advance:** An initiative endorsed by over 250 investors, which seeks to advance human rights and positive social outcomes through stewardship. The key company expectations include the full implementation of the UNGPs, alignment of political engagement with the responsibility to respect human rights, and further progress on addressing the most severe human rights issues within operations and across value chains. The initiative is currently focusing on 40 companies in the metals and mining and renewable energy sectors.
- PRI Responsible Cobalt Sourcing – engagement to improve human rights due diligence:** Investors under this initiative engaged with 16 companies in electronics and automotive sectors on their cobalt sourcing practices from 2018 to 2020 to improve human rights risk assessment, due diligence, impact monitoring and corrective action (including remediation), and collaboration.¹ The engagement led to a 25 per cent increase in the number of companies having a supply chain policy or code, 81 per cent made a public commitment to respect human rights, and one company committed to remedy affected parties.
- Rathbones Votes Against Slavery collaboration:** In 2019 Rathbones launched Votes Against Slavery, a collaborative campaign that by 2022 involved 122 investors. To encourage investor participation and increase leverage over companies, Rathbones posted the initiative on PRI Collaboration calling for investor support.¹ During this phase of the initiative, Rathbones met with 18 companies out of 22 targeted by the engagement which led to direct involvement by senior management and better communication from the companies regarding their modern slavery statements. By 31 December 2020, 20 out of 22 companies were compliant as a direct result of engagement.¹ Further, in 2021 the Votes Against Slavery campaign identified that one of the investee companies it was engaging had been withholding payments to workers. As a result, the investee company reviewed the incident and strengthened its payment process. Rathbones is waiting to see how that company reports the case before deciding if it needs to vote against it to require further remediation.

Grievance mechanisms

A grievance mechanism is a formal complaint process accessible to stakeholders facing adverse impacts from business activities. Grievance mechanisms are a key component in the detection of human rights risks and impacts, and in the provision of response and remedy.³⁴ At the institutional level, investors should have in place their own effective grievance mechanisms to support the provision of remedy when they cause or contribute to adverse human rights impacts³⁵ (e.g. discriminating against their employees). Many investors currently put the onus on investee companies to have operational-level grievance mechanisms in place and respond to grievances received by the mechanisms.³⁶ However, depending on their relationship to the harm, this approach can leave investors vulnerable, as it removes their involvement in a key part of the remediation process (dialogue with affected stakeholders) without removing the responsibility to enable remedy. The Organisation for Economic Co-Operation and Development (OECD) has suggested asset owners and asset managers can have reporting processes to allow affected stakeholders to inform them of actual or potential impacts in investee companies.³⁷ The OECD also encourages investors to collaborate with affected stakeholders through operational-level grievance mechanisms.

Enabling remediation in investee companies

Investors can contribute to enabling remediation by using their leverage to influence the investee company, individually and collectively.³⁸ Typically, investors influence investee companies through company engagement, but they can also consider the use of stronger action, described in the Leverage, escalation and divestment section, if required to exercise more leverage.

Investors can enable investee companies that cause or contribute to modern slavery to remedy harm by engaging at different stages of the remedy process:

- *Before cases are found and remediation provided* – to prevent investee companies causing or contributing to cases and encourage them to prepare for finding and fixing cases, such as adopting a grievance mechanism.
- *When cases are found and during remediation* – to support investee companies through the different stages of the remediation process.
- *After cases have been remedied* – to assist investee companies in learning lessons and implementing changes to prevent cases from re-occurring.



Investor case study

Investor and other financial sector institution grievance mechanisms

Asia Debt Management Hong Kong Limited (ADM) adopted a complaints and grievance mechanism which can be used by stakeholders negatively affected by commercial activities where ADM might be engaged.³⁹ ADM policy commits to answer grievances within three months of receipt.

Australia and New Zealand Banking Group Limited (ANZ) launched its human rights grievance mechanism in 2021.⁴⁰ The grievance mechanism is available to receive complaints from individuals and communities whose human rights might have been impacted by ANZ's institutional or corporate lending customers. In establishing the grievance mechanism, ANZ provides a framework to resolve these complaints and receives insights to strengthen its due diligence processes.⁴¹

The grievance mechanism promotes dialogue between the affected party, ANZ and its customer. This helps ANZ consider its links to human rights impacts and any contributions to remedy, and uses its leverage with the customer to meet the UNGP requirements.

The Belgian Investment Company for Developing Countries (BIO) grievance mechanism was created to respond to stakeholders who were affected or potentially affected by projects financed by BIO.⁴² BIO's grievance mechanism aims to support affected parties in accessing remedy. Where BIO contributed or may contribute to an adverse impact, it will use its leverage to mitigate any remaining impact.

Climate Fund Managers offer a direct grievance mechanism available to any party that wishes to communicate feedback, concerns or complaints in relation to operations or projects, and commits to providing a response within 20 working days.⁴³

Sweef Capital offers a confidential grievance mechanism to stakeholders that were adversely affected or have a complaint related to environmental or social considerations, operations and investments.⁴⁴

Sycamore Asset Management has recently committed to develop a grievance mechanism for stakeholders to submit feedback regarding the firm's investments.⁴⁵

Enabling remedy before cases are found

There are important suggestions that investors can make to investee companies to prevent modern slavery from taking place and to prepare for remedying it effectively if it is found.

Investors can consider taking the following actions:

- Explain to investee companies the importance of having a broader response and remedy framework that includes adopting a complaints handling policy, introducing other remedy pathways such as whistleblower mechanisms, and conducting independent audits and implementing corrective action plans effectively.
- Suggest that companies commit to responsible purchasing practices with their suppliers (such as responsible pricing, providing reasonable assistance to suppliers, and responsible change orders), and prioritise human rights remediation over traditional contract remedies in their supplier contracts.⁴⁶
- Require investee companies establish individual operational level grievance mechanisms or participate in collective dispute resolution platforms in line with the UNGPs effectiveness criteria for non-judicial grievance mechanisms: legitimacy, accessibility, predictability, equity, transparency, rights-compatibility, continuous learning and, for company mechanisms, engagement and dialogue.⁴⁷ Recommend that companies also consider their broad remedy principles and approaches against these criteria.⁴⁸
- Share additional resources with investee companies to prepare for providing remediation where needed, such as good practice case studies, trusted third-party experts, and guidance on providing remediation.⁴⁹
- Make investee companies aware that investors will seek to enable remedy where possible.

Set the expectation that investee companies must notify investors if modern slavery cases are found and provide any relevant information requested by investors. This includes taking all reasonable action to address or remove cases including in its supply chain, taking all reasonable steps to remedy cases if it has caused or contributed to them, and consulting with and providing detailed updates to investors about actions and steps.⁵⁰



Investor and company case study Examples of enabling remedy at the preparation stage

Export Development Canada (EDC), the Canadian export credit agency, developed the Principles on Leverage and Remedy as part of its human rights risk management approach.⁵¹ The Principles specific to enabling remedy include:

- **Commitment to remedy** – when adverse impacts occur, EDC will focus on remedy for affected stakeholders.
- **Preparation for remedy** – in cases where impacts are likely to occur, EDC will take steps to assess whether customers or other relevant parties are prepared to provide remedy to affected stakeholders, or strengthen their preparedness.
- **Appropriate roles in remedy** – when responding to severe impacts, EDC will assess its connection to harm and responsibility to remedy and take appropriate actions.

FinDev Canada, the investment function of EDC, has further committed to playing a role in enabling remedy and using its leverage to encourage responsible parties to provide appropriate forms of remedy.⁵²

The Finnish Fund for Industrial Cooperation (Finnfund) has committed to promoting effective access to remedy for those who have been harmed, and using its leverage to have adverse human rights impacts addressed. Companies financed by Finnfund are required, as appropriate, to have an effective operational level grievance mechanism to facilitate non-judicial access to remedy.⁵³

M&G enables remedy by supporting its portfolio companies in identifying and remedying instances of modern slavery. They work with CCLA's 'Find it, Fix it, Prevent it' initiative to aid the industry efforts to combat modern slavery, such as setting effectiveness metrics.⁵⁴

Unilever recognises the importance of enabling remedy in cases where the company has caused, contributed, or is directly linked to human rights impacts. Unilever supports this by providing access to effective grievance mechanisms and remedy when appropriate. This includes company-based grievance mechanisms, and requiring suppliers to provide transparent, fair and confidential grievance mechanisms to their workers.

Enabling remedy when cases are found

Investors should engage with investee companies to enable remediation where investee companies have caused, contributed, or are directly linked to human rights impacts.⁵⁵ Specifically, where investors are linked to harm through investee companies, they should use and build leverage to enable remedy. This includes reinforcing the expectation that investee companies have in place individual operational-level grievance mechanisms or participate in collective dispute resolution platforms in line with the UNGPs’ effectiveness criteria.⁵⁶

The Walk Free and Human Rights Resources and Energy Collaborative (HRREC) *Modern Slavery Response and Remedy Framework*⁵⁷ sets out the following steps for all companies to take following a complaint through grievance mechanisms or the discovery of impact by other means, such as conducting social audits:

1. Investigate and verify
2. Remediate harm
3. Mitigate and prevent future harm
4. Escalation
5. Incident reporting and tracking
6. Review

This framework provides a valuable structure for understanding what investors might do, including questions they might ask, to enable remedy when investee companies find modern slavery cases.⁵⁸

1. Investigate and verify

Investee companies should take steps to investigate where they receive allegations that workers have been harmed, or they identify that there is a risk to workers.⁵⁹ They should notify investors they are investigating allegations.

Investors can encourage investee companies to take the following actions to investigate and verify the complaints:

- Acknowledge receipt of any complaints in a timely manner.⁶⁰
- Make an initial assessment of complaints to determine their priority and how to respond.⁶¹
- Allocate complaints to responsible officers (where they exist) and notify all relevant internal personnel.
- Explain the complaint handling process to complainants.⁶²
- Identify what human rights could have been violated, whether criminal offences have potentially committed, and if they have caused or contributed to harm.⁶³

Investors can support investee companies at this stage by (different measures can be taken depending on the scale and severity of harm, as well as available resources):

- Asking them to share details of any grievances or violations.
- Making clear that receiving complaints or finding issues is a good thing and investors are prepared to work with them to enable remedy for affected stakeholders as the first priority.
- Making their expectations clear to the investee company.
- Understanding the policies and processes companies have in place to address grievances and issues, such as recruitment policies that prohibit payment of recruitment fees.
- Offering to participate in dialogue or mediation processes.⁶⁴
- Introducing industry initiatives, consultants, civil society organisations, trade unions and other stakeholders to help conduct the investigation or provide verification.



Note

Other actions that investors that have caused or contributed to harm can take to support remediation can include:

- Speaking to complainants to understand their grievances if appropriate and advising investee companies of their views.
- Engaging other companies that might have contributed to harm to contribute to preventing and remediating the harm.

One of the key challenges to enabling remedy is when investee companies refuse to share information with investors about the grievances or finding harm until they have conducted their own investigations. In these situations, investors should seek to:

- Investigate the matter directly and/or find out more about the issue from other sources (including civil society organisations and trade unions) where possible in a manner that is not causing further harm or impeding remedy (for example – see the case study below where Shimano appointed its own investigative team).
- Requesting detailed information about the process from the company, including the approach to investigation, stakeholders that will be engaged, how remedy will be considered, and the timeline of sharing the initial findings.

Escalating information requests to the Board, referencing applicable disclosure or human rights due diligence legislation, and noting that investors require that information to understand how they could support the remedy processes.



Company case study

Company investigations into forced labour and child labour allegations in their supply chains

- In December 2023, the New York Times published an article alleging the failure of social audits to detect the use of child labour in the US supply chains of several large companies.⁶⁵ Mondelez International, one of the companies linked to the supplier connected to the incident, engaged the supplier to request information and action to ensure compliance with its expectations, contractual obligations and other relevant requirements. Mondelez International also asked the supplier to provide updates on the measures it is taking to improve internal processes.⁶⁶
- Darigold, another company whose supply chain was subject to the same child labour allegations, outlined that they had identified the farm where the alleged infraction occurred and were working with the owner and his team to take corrective actions. The farm was re-audited, and the audit procedure was changed to include interviews with employees from each shift. Finally, the company engaged with other stakeholders within the food supply system that encountered similar issues to gather relevant experience.⁶⁷
- In December 2023, Kwang Li Industry, a Malaysian supplier to Shimano, a large Japanese cycling parts manufacturer, was alleged to engage in practices associated with forced labour including physical abuse, recruitment fees, and unlawful salary deductions.⁶⁸ In response to the allegations, Shimano demanded Kwang Li Industry conduct an investigation and address this matter. In addition, Shimano established an internal investigation team headed by an executive, and engaged with the relevant parties to investigate directly, including Kwang Li Industry, their recruitment agencies and migrant workers.⁶⁹
- BP's modern slavery statements reference several investigations, including an assessment into labour rights and modern slavery conducted in Azerbaijan following a worker complaint regarding the non-payment of salaries, overtime and holiday working. BP substantiated the complaints and identified additional issues which were then addressed. Another investigation followed concerns regarding extended offshore rotations in the Gulf of Mexico, which confirmed prolonged rotations for a group of 63 workers and prompted action to address the issue.⁷⁰ In 2022, BP conducted pre-contract shipyard supplier assessments at three proposed yards, which revealed non-conformances including recruitment fees, lack of policy, insufficient subcontractor monitoring and oversight processes. Following these findings, the company worked with the suppliers to address the relevant issues.⁷¹
- Target (US) reported collaborating with NGOs and civil society organisations to improve its oversight practices and effectiveness to identify and eliminate forced labour. In 2018, when informed by an NGO, Transparentem, of identification of forced labour at Target's former Malaysian supplier, Target collaborated with the supplier's other customers and an independent expert to investigate the claims. They also developed and implemented corrective action.⁷²
- Decathlon offers another example of collaboration with a non-profit to investigate instances of modern slavery. In 2019 the company worked with Verité, which carried out an assessment at a supplier's site in Thailand that identified several instances of recruitment fees. These findings supported Decathlon in developing a long-term corrective plan with the supplier.⁷³

2. Remediate harm

When investigations are complete, investee companies should determine a response, propose the remedy and seek agreement from complainants and other stakeholders where appropriate.⁷⁴

Investors can encourage investee companies at the response and remedy stage to:

- Provide clear reasons for decisions to help complainants understand why the decision was made and whether their grievances were upheld.⁷⁵
- If grievances were upheld, provide satisfactory remedy. The remedy should be fair, practical and proportionate to the seriousness of the issue.⁷⁶ Options for redress might include, but are not limited to one or more of the following:
 - Acknowledging and apologising.
 - Explaining why the harm happened and the steps being taken to prevent it from happening again.
 - Restitution or compensation.
 - Disciplinary action against relevant officers.
 - Facilitating access to services needed by complainants, such as medical assistance, counselling and psycho-social services, temporary accommodation, immigration or visa advice or travel costs.
- Allow complainants the option of requesting an internal or external review of the remedy.⁷⁷ Reviews should be conducted by senior officers that have not been involved in the grievance to ensure independence. The use of external mediators might be appropriate.

Investors can support investee companies at this stage by:

- Referencing civil society organisations, trade unions and other stakeholders to help explain decisions and determine remedy.
- Reinforcing importance of communicating the decision and remediation externally.



Note

Other actions that investors that have caused or contributed to harm can take to support remediation can include:

- Offering to participate in dialogue or mediation.
- Speaking to complainants to understand if the decision and remedy, if offered, is acceptable and encouraging companies to improve outcomes (e.g. providing satisfactory compensation).
- Providing information on the international standards, protection frameworks and available services.



Investor case study FSI engagement focusing on modern slavery risk and remediation of recruitment fees

FSI engaged with an investee company which was identified to have a labour-intensive manufacturing process and use foreign workers extensively.⁷⁸ The engagement was initiated in 2018 over the allegations of debt bondage, overtime, passport retention, and unsafe conditions. FSI contacted the investee company again in 2020 regarding the increased risk of modern slavery in the supply chain, which produced limited answers. FSI also noted a lack of robust supplier policies and limited audit results. Shortly after, two subsidiaries of the investee company received a US Customs Border Protection Withhold Release Order. The subsequent investor action included, organising a call with the company's Chief Financial Officer to obtain detailed information and encourage better practices, encouraging the company to set aside sufficient funds for remediation, aligning its labour standards with international guidelines, and adopting extensive and unannounced auditing. Following engagement, FSI continued to follow up the company regarding the provision of remediation fees, which at the time were sufficient to cover all 11,000 workers.



Investor case study ANZ remedy for financing Cambodian sugar plantation

In 2014, the Australian National Contact Point (NCP) received a complaint regarding ANZ's breach of OECD Guidelines on Multinational Enterprises by partly financing Phnom Penh Sugar Co. Ltd., a company which caused displacement and dispossession of over 600 Cambodian families to clear land for a sugar plantation and refinery. The company was also alleged to have used child labour and dangerous working conditions that resulted in the deaths of several workers.⁷⁹ The Australian OECD National Contact Point published a conclusion in 2018, highlighting the flaws in ANZ human rights-related policies and processes and recommending the bank strengthen its compliance and due diligence mechanisms. As the NCP recommendations did not include provision of remedy to affected parties, a coalition of stakeholders including prominent NGOs and ANZ shareholders wrote to ANZ to encourage provision of financial remedy. In 2020, the parties reached an agreement, the terms of which included ANZ contributing the profit it earned from the loan to help remedy the negative impacts on the affected communities.⁸⁰



Investor case study The Dutch Pension Funds Agreement – promoting access to remedy

The Dutch Pension Funds Agreement on Responsible Investment requires investor parties to "use and, where necessary and possible, increase leverage by imposing time-limited demands in which it encourages listed investee companies that cause or contribute to an adverse impact to... provide access to remediation."⁸¹ ABP, a fund party to the Agreement, exerted pressure on an investee company, Vale, to compensate those affected by a dam collapse in 2019, using its consultations with Brazilian stakeholders to gain better understanding of the impacts.⁸²

As part of considering how to enable remedy, it is also important for investors to be prepared to engage investee companies involved in criminal or civil proceedings. The number of new complaints being filed is growing rapidly.⁸³ In these circumstances, investors should indicate to companies they expect them to:

- Treat prosecutions and complaints seriously and cooperate with all proceedings in good faith.
- Not establish or increase the barriers already faced by victims or complainants to access remedy, such as stalling the discovery of information or making spurious legal arguments.
- Consider negotiating a settlement that provides satisfactory remedy to complainants to avoid unnecessary legal proceedings and expense for all parties.
- Be transparent regarding responsibility and remediation by publishing any agreements.

There is an emerging body of court outcomes that provide remedy for modern slavery. Such court-awarded remedy can assist investors to support investee companies in deciding what remedy is likely to be satisfactory for complainants.



Company case study

Instances of remedy awarded or agreed in court proceedings for modern slavery

In 2010, the US Justice Department filed criminal charges against employees of Global Horizons on charges on forced labour related to Thai workers brought to the US for agricultural work. While the criminal case was eventually dismissed, the US Equal Employment Opportunity Commission (EEOC) filed two related lawsuits in 2011, which eventually resulted in a damages award of US\$7,658,500 towards the claimants.⁸⁴

In 2008, Signal International became a defendant in a class action on behalf of over 500 Indian workers who alleged that they were lured to work in the US under false promises, with claims including trafficking, fraud and discrimination. While the class certification for the claim was denied in 2012, in 2015 the case in respect of five plaintiffs went to trial and was found in favour of the plaintiffs. The company was ordered to pay US\$14 million in damages.⁸⁵

In 2014, a claim was filed by Lithuanian nationals accusing DJ Houghton of human trafficking.⁸⁶ The UK High Court found the company liable for labour exploitation and was ordered to compensate unpaid wages in 2016. The defendants agreed to a settlement of over GB£1 million in compensation and legal costs.

In 2014, Eritrean nationals filed a lawsuit against Nevsun, alleging the use of forced labour by a Nevsun subcontractor in Eritrea. After several unsuccessful applications to dismiss the lawsuit, Nevsun reached settlement with the plaintiffs for an undisclosed sum.⁸⁷

In 2014, Odebrecht was accused of human trafficking and slave labour in its Angola operations by a Brazilian prosecutor. The case was decided against the company, which was ordered to pay US\$13 million in damages.⁸⁸

3. Mitigate and prevent future harm

Providing effective remedy also entails preventing harm from reoccurring.⁸⁹ There are similarities between 'enabling remedy before harm' which is seeking to prevent it from occurring in the first place and this stage of 'enabling remedy during remediation' which is seeking to address the harm caused.

Investors can encourage investee companies to respond at the mitigation and prevention stage by:

- Recommending the development of correction action plans with clear targets and timelines. A corrective action plan could include training, redeploying or terminating staff, reviewing and strengthening due diligence and grievance mechanisms, assessing and improving other relevant policies, procedures and practices, and updating codes of conduct, contracts, and terms and conditions to fill gaps.
- Sharing any lessons learned with relevant stakeholders to avoid similar impacts and improve response and remedy.



Company case study **Carrefour – measures to mitigate risk of forced labour in seafood supply chains**

In a statement published in response to the Ocean Outlaw Project investigation into forced labour incidents in seafood supply chains, Carrefour outlined the following preventative measures introduced to ensure compliance with the relevant human rights and labour standards and commitments:

- A requirement for facilities located in high-risk or at-risk countries to undergo social audit.
- Requiring suppliers to conduct social audits in their own supply chains.
- Setting up a taskforce to track and address alerts associated with the company's operations, which would also investigate the alerts and ensure appropriate corrective action plans are implemented.⁹⁰



Company case study **Danone supports suppliers to prevent child and forced labour**

Danone reported seven instances of forced labour in its supply chain in 2022 which included wage deductions, recruitment fees, compulsory overtime and unpaid leave.⁹¹ There was also one child labour case, which resulted from age verification records not being maintained. Danone says it has verified evidence of suppliers putting corrective actions in place for all issues or is continuing to work with suppliers to agreed timescales to do so.



Investor case study **AllianceBernstein engages with Hyundai Motors regarding the risk of child labour**

Following the media reports in 2022 regarding a US government investigation of the potential use of child labour in Hyundai Motor's US supply chain, AllianceBernstein (AB) engaged with the company concerning the investigation. Following the company's written response, AB set up a meeting with Hyundai Motors in 2023, engaging in an in-depth discussion regarding the steps taken by Hyundai Motors to address the issue and the processes and policies put in place to ensure transparency and effective supply chain monitoring. The company demonstrated transparency during the discussion and AB shared with Hyundai Motors best practice suggestions for reducing risks of similar incidents or potential regulatory breaches occurring in the future.⁹²



Company case study **Woolworths following up finding payment of recruitment fees in Malaysian supply chain**

Following Woolworths' engagement with a Malaysian supplier to facilitate addressing and remediating a recruitment fees incident, the supplier established controls to prevent such instances in the future. This included an assessment checklist for recruitment agencies, a recruitment policy stating that workers should not be charged any recruitment or related fees, and a grievance procedure translated into languages of migrant workers.⁹³

4. Escalation

If investee companies have caused or contributed to harm, and are uncooperative in engagement and make little or no effort towards remediating harm, or they are being deliberately deceitful or withholding information, investors should consider moving beyond enabling remedy and exercising escalation options to increase leverage for providing remedy.⁹⁴

Options for escalation cover:

- Arranging additional meetings with more senior management officers to discuss concerns, attempt to understand behaviour, and seek to agree on response and remedy next steps.
- If there is no progress, considering the following depending on which offers most leverage:
 - Contacting the Board Chair and/or Directors to arrange meetings.
 - Exploring sharing information and taking action with other investors in investee companies that are concerned about failure to provide remediation.
 - Publishing letters to or statements about investee companies.
 - Submitting or supporting shareholder resolutions to vote against financial statements and/or Board appointments for failure to provide remediation.
- Collaborating with investors in some or all options for escalation beyond engagement, including various forced labour complaints mechanisms.
- When all other options are not available, divesting through a responsible exit strategy that considers what more might be done to enable remedy. However, divestment does not help to prevent or remedy human rights impacts and should be avoided unless absolutely necessary. There are many examples where investors have engaged with investee companies over long periods of time and successfully encouraged them towards better practices.⁹⁵ Further, divestment should be accompanied by explanations of the reasons for divesting to investee companies and the wider market. If the investment is crucial, investors should seek to demonstrate efforts to enable remedy and exercise leverage to provide remediation.
- Other options may include informing the police in company home countries or countries where the harm is taking place, taking care to avoid retaliation particularly where respect for the rule of law and protection of human rights is weak, and there is a high level of corruption in criminal justice.



Investor case study

Danish Pension Fund divesting from Amazon regarding trade unions and collective bargaining

Paedagogernes Pension (PBU) excluded Amazon from its investment portfolio following over five years of engaging with the company and exerting pressure to encourage Amazon to recognise the employees' rights to organise and collective bargaining.⁹⁶ The fund concluded that it was not possible to establish a dialogue concerning Amazon's approach to employee unions and labour standards. In the past, PBU excluded Walmart (2018) and Ryanair (2017) regarding labour rights.



Investor case study

Rathbones Votes Against Slavery collaboration

The UK asset manager, Rathbones, began voting against slavery in 2019.⁹⁷ It wrote to five companies in the FTSE100 requesting their modern slavery statements comply with section 54 of the UK Modern Slavery Act otherwise it would vote against their annual report and accounts at their AGM. Rathbones explained its standards and objectives as follows: "We considered best practice to include having the link to the company's modern slavery statement clearly visible on the homepage, for it to be signed by a company director, approved by the board and updated annually. Our aim was to achieve full compliance at these companies."⁹⁸ As a result, almost all companies made their statements compliant with the law.

5. Incident reporting and tracking

Investee companies should record human rights complaints in their incident management systems.⁹⁹ Complaint information can be used to improve risk identification to prevent and remediate harm. This information should be disclosed in required reporting such as under sustainability reporting rules and modern slavery legislation.

Investors should encourage investee companies to maintain proper records and follow disclosure requirements by:

- Ensuring that investee companies have an established process to identify, track and report modern slavery incidents, as well as grievance mechanism processes and corrective action plan implementation.
- Advising companies to maintain periodic disclosure of modern slavery incidents, including compliance with relevant sustainability reporting and modern slavery reporting frameworks.



Investor and company case study

Examples of company approaches to modern slavery risk monitoring and tracking include:

- Aviva uses key performance indicators (KPIs) to track its approach to human rights and modern slavery. Some KPIs include the number of modern slavery cases discovered in operations or supply chains via due diligence and risk assessments, modern slavery complaints raised via formal or informal complaint channels, modern slavery assessments conducted on high-risk suppliers, and corrective action or improvement plans shared with suppliers and completed.¹⁰⁰
- Unilever's processes if modern slavery is found include tracking progress of remediation, such as statistics regarding the number of incidents filed and investigated.¹⁰¹
- Woolworths' response to a 2021 report alleging the payment of recruitment fees in its Malaysian supply chain included conducting an additional investigation to verify that corrective actions were taken regarding any non-conformances.¹⁰²
- Bluescope monitors the effectiveness of its modern slavery approach through a number of indicators. Some indicators include the number of suppliers screened and the change in risk scores, and the number of grievances received and outcomes. Bluescope also reviews their training records, policies and frameworks, potential risks and emerging issues monthly with the Social Impact Steering Committee, and conducts an internal audit program and on-site assessments.¹⁰³



Preventing cases after remedy provided

6. Review

Reviewing complaints and assessing complaint handling performance after the provision of remedy will help investee companies to identify improvements to response and remedy.¹⁰⁴ Investors should encourage investee companies to analyse complaints and assess complaint handling. Analysing complaints can consider the number of complaints and any trends over time, types of harms or issues involved, and outcomes of the complaints and demographics of complainants. Assessing complaint handling can involve measuring complaint data against KPIs, conducting audits and using surveys.¹⁰⁵ Once remedy has been provided, investors should discuss with investee companies the improvements that can be made, including introducing new preventative measures.¹⁰⁶



Company case study Unilever Australia – an example of incident analysis reporting

Unilever's modern slavery statement includes analysis of its key incident (serious non-conformances) data, including, types of issues (14 incidents related to unlawful passport/ identification (ID) retention, 97 non-conformances related to forced labour, 36 related to deposits or withholding payments, etc), outcome (number of incidents remaining open, closed, remediated or in process of being remediated), number of non-conformances by business area, and locations of non-conformances.¹⁰⁷

Preventing cases after providing remedy completes the remediation cycle of trying to prevent cases from occurring in the first place. Specific modern slavery case prevention was addressed as one of the remediation steps above, but investors can also encourage investee companies to go further regarding preventing modern slavery cases in their geographies or industries.



Company case study Daewoo – addressing forced labour issues in Uzbekistan through stakeholder engagement

Following the concerns raised in 2014 by the NGOs and civil society organisations over forced labour used for cotton picking in Uzbekistan, Daewoo published a response outlining its efforts address the issue, including:

- Engaging the Uzbekistan Government to request the elimination of forced labour.
- Engaging the Chamber of Commerce and Industry.
- Sending a CEO letter requesting details on the cooperation between Uzbekistan Government and International Labour Organisation, such as the progress of the Decent Work Country Programme.¹⁰⁸

In 2021, an ILO monitoring report confirmed that the country eradicated systemic forced labour and child labour in the cotton industry, seven years since the beginning of the reform process.¹⁰⁹



Investor case study Norges Bank expands labour practices prevention

Media reports concerning breaches of labour rights in Qatar in connection with the World Cup construction projects prompted the Norway's Norges Bank to launch an investigation into the labour practices within a broader geographical area.¹¹⁰

07 | Advocacy and the 'remedy ecosystem'

In addition to grievance mechanisms, investors might also consider their role in contributing to the broader 'remedy ecosystem'¹¹¹ by engaging policymakers and legislators to strengthen the provision of remediation for human rights harms. Investors can advocate for:¹¹²

- Stronger criminal offences and labour laws consistent with international standards.
- Improved criminal justice and fair work processes resulting in increased convictions.
- Introduction of National Referral Mechanisms and compensation schemes for victims.
- Adoption of human rights due diligence laws with requirements for grievance mechanisms and grounds for civil liability.
- Introduction of forced labour import bans to stop tainted products entering markets, and creation of remediation funds to provide remedy to harmed workers.
- Increased awareness of judicial and non-judicial grievance mechanisms such as court proceedings, National Human Rights Institutions and OECD National Contact Points.¹¹³



Investor case study Investor contributions to the remedy ecosystem

In 2020, the Investor Alliance for Human Rights (IAHR), comprising 105 investors with US\$5 trillion assets under management (AUM), called for governments to establish national human rights due diligence legislation to ensure corporate accountability (including the expectation to enable remedy) and enable investors to identify and assess human rights risks within their portfolios.¹¹⁴ Since then, IAHR has advocated further for effective business and human rights laws, including by proposing remedy-centric improvements to the EU CSDDD¹¹⁵ and recommending the introduction of a ban on products made with forced labour in the EU market.¹¹⁶

In 2022, CCLA, the largest UK charity investment manager, together with ten investors holding over GB£800 billion AUM, called on retailers and firms in the UK agricultural sector to implement the Employer Pays Principle and investigate and repay recruitment fees that were already paid by the workers. They also called for the government to bring the Seasonal Worker Scheme in line with international commitments to reduce risks of forced labour.¹¹⁷

In January 2024, IAST APAC, an investor-led, multi-stakeholder initiative including 49 investors with AU\$11.9 trillion AUM and non-profit knowledge partners Walk Free and Finance Against Slavery and Trafficking (FAST), wrote to the Australian Government in support of a National Victim Compensation Scheme, designed to support victims of modern slavery.¹¹⁸

08 | Collective remedy

As modern slavery is a systemic global problem, the remediation process can be strengthened if businesses collaborate with peers to provide or enable remedy in multistakeholder approaches involving industry associations, international organisations or civil society.¹¹⁹ Advantages of taking a collaborative approach to remedy include:

- Knowledge sharing on specific risks in supply chains across geographies, products or industries. Address the issue of individual businesses or investors lacking leverage.
- A systemic approach which is better able to address the root cause of the issue in addition to providing remedy (for example, living wage gaps or access to education).

Provision of meaningful remedy is more accessible and scalable.



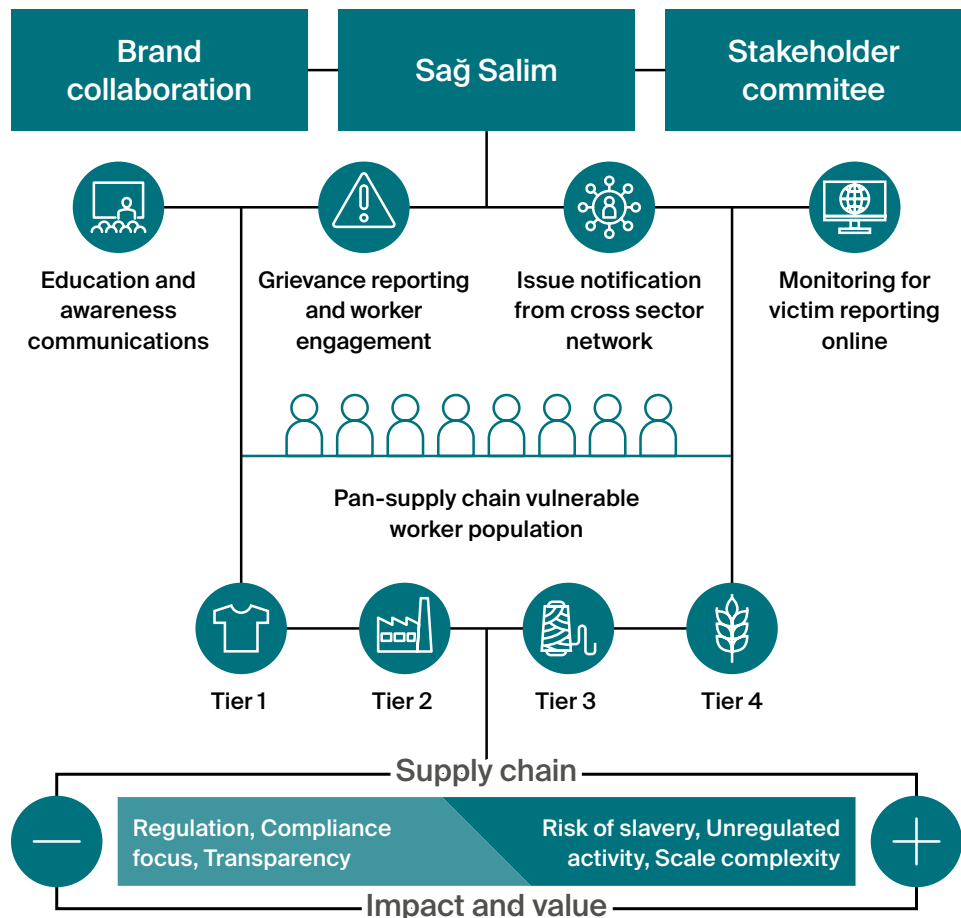
Company case study

Outland Denim and others – Supply Network Intelligence System

Outland Denim (Australian apparel company), in collaboration with Precision Solutions Group (IT services), Bossa Denim (Turkish textiles), and Nudie Jeans (Swedish denim brand) founded the Supply Network Intelligence System (Sag Salim) in 2020, establishing a grievance program for cotton farmers in Turkey.¹²⁰ The program involved collaboration between fashion industry stakeholders and local communication networks to connect workers to the program, aiming to identify instances of labour rights violations within the supply chain and facilitate remediation. Partnerships with local organisations allows the program to communicate with workers in their local language and develop targeted solutions. In the first year, 300 workers were provided with protective equipment as a direct response to hotline reports. The program also increased supplier awareness of labour rights violations and inspired implementation of social auditing at the farm level.¹²¹

A worker voice solution...

- Engage directly with vulnerable workers and local stakeholders through targeted communications
- Increase education and awareness and understand what is occurring on the ground
- Investigate reports, identify key issues and development remediation solutions
- Generate stakeholder engagement and buy in through shared understanding and intent



Source: Outland Denim, Communication On Progress 2022, United Nations Global Compact Network



Mixed stakeholder case study **The Child Labour Remediation Hub**

Fair Cobalt Alliance, Save the Children, and The Centre for Child Rights and Business established the Child Labour Remediation Hub, which aims to provide long-term remediation to children working in cobalt mining in the Democratic Republic of Congo. Remedy can include education, assistance with living expenses and health support.¹²² The Hub engages with local remediation partners (NGOS), providing them with training on child labour case management. The pilot Child Labour Remediation Programme assisted three children, who joined in 2022, receiving access to school, housing and social support.



Company case study **Tesco – addressing risk of forced labour with industry bodies**

Responding to reports of worker rights violations in the Spanish agricultural sector in 2023, Tesco cooperated with growers, suppliers and the Ethical Trade Forum (ETI) to improve standards within their supply chain and the wider industry.¹²³ Tesco provided additional financial support to the Spanish Ethical Trade Forums to establish an enhanced grievance mechanism project. It is also participating in the ETI's recently established Grievance Mechanism in Agriculture working group, which focuses on the Southern Mediterranean.



Investor case study **Impactt Limited, Rabobank, LTMA Capital – Remedy Finance**

Remedy Finance is a recent example of an innovative collective remediation initiative to finance repayment of recruitment fees.¹²⁴ In 2023, Impactt (a consultancy focusing on ethical trade and human rights) and LTMA Capital designed a low-interest dedicated debt facility that aims to address the challenge of recruitment fees repayments where small or medium-sized employers lack cash flow or liquidity. In addition to enabling the borrowers to repay their workforce in one sum, this initiative incentivises employers to improve their recruitment processes by offering a reduction in interest payments if an ethical recruitment procedure is implemented.

09 | Conclusion and recommendations for action



Call for Action for investors

Within the remedy ecosystem, investors, companies and the policymaking community are key stakeholders with the ability to influence the availability and effectiveness of outcomes.

Actions for Investors may include the following:

- **Before harm occurs:** Work to prevent investee companies causing or contributing to harm and prepare for finding and fixing cases by:
 - Setting expectations with companies that where harm is found, information will be shared and processes in place will be activated to enable remediation.
 - Providing investee companies with additional resources to prepare for providing remediation where needed, such as good practice case studies and trusted third-party experts.
 - In the case of direct investors, considering developing their own human rights grievance mechanisms that allow for affected stakeholders who many have been impacted to report to them directly.
- **During process of remediation:** Support investee companies through the remedy steps by:
 - Where information from companies regarding responses to specific grievances is lacking, focusing on requesting information regarding the process around investigation, stakeholder engagement and remedy consideration with timelines directly from the company. Investors should consider escalating information requests to the Board, referencing applicable disclosure or human rights due diligence legislation.

- Investigating grievances directly and/or finding out more about the issue from other sources (including civil society organisations and trade unions) where possible in a manner that is not causing further harm or impeding remedy.
- Using collaboration to build leverage – these can be via numerous initiatives where group investor efforts enable greater influence over outcomes and further signal the importance of addressing remediation.
- Encouraging companies to participate in collective remediation initiatives (an example includes funding debt facilities to enable employers to repay workers' recruitment fees).
- Considering escalation options including regular meetings at various levels of the investee company, filing resolutions, exercising proxy voting outcomes, and collaborative options with other investors beyond engagement.
- Reinforcing the importance of communicating the decision and remediation externally.
- **After (post-remediation):** Assist investee companies to reflect and take preventative measures

Asset owners can exercise leverage over asset managers by:

- Asking modern slavery risk identification and management questions as part of selection and ongoing monitoring processes, which includes consideration of remediation.
- Building requirements related to modern slavery into investment mandates.





Call for Action for companies

Actions for companies may include the following:

- **Implement a broad response and remedy framework:**
Including adopting a complaints handling policy, introducing other remedy pathways such as whistleblower mechanisms, and conducting independent audits and implementing corrective action plans effectively. This could include:
 - Establishing individual operational level grievance mechanisms or participate in collective dispute resolution platforms in line with the UNGPs effectiveness criteria for non-judicial grievance mechanisms.
 - Having an established process to identify, track and report modern slavery incidents, as well as grievance mechanism processes and corrective action plan implementation.
 - Maintaining periodic disclosure of modern slavery incidents, including compliance with relevant sustainability reporting and modern slavery reporting frameworks.
- **Take action to acknowledge, investigate and verify complaints**
 - Acknowledging receipt of any complaints in a timely manner, making an initial assessment of complaints to determine their priority and how to respond.
 - Allocating complaints to responsible officers (where they exist) and notifying all relevant internal personnel.
 - Explaining the complaint handling process to complainants.
 - Identifying what human rights could have been violated, whether criminal offences have been potentially been committed, and if they have caused or contributed to harm.
- **Share information with investors about grievances and finding harm:** Notifying investors if modern slavery cases are found and provide any relevant information requested by investors, and consulting with and providing updates about actions and steps.
 - Ensure appropriate remediation outcomes
 - Providing clear reasons for decisions to help complainants understand why the decision was made and whether their grievances were upheld.
 - Developing corrective action plans with clear targets and timelines. A corrective action plan could include training, redeploying or terminating staff; reviewing and strengthening due diligence and grievance mechanisms; assessing and improving other relevant policies, procedures and practices; and updating codes of conduct, contracts, and terms and conditions to fill gaps.
 - If grievances were upheld, providing satisfactory remedy. The remedy should be fair, practical and proportionate to the seriousness of the issue. Options for redress might include, but are not limited to one or more of the following:
 - » Acknowledging and apologising.
 - » Explaining why the harm happened and the steps being taken to prevent it happening again.
 - » Restitution or compensation.
 - » Disciplinary action against relevant officers.
 - » Facilitating access to services needed by complainants, such as medical assistance, counselling and psycho-social services, temporary accommodation, immigration or visa advice or travel costs
 - Allowing complainants the option of requesting an internal or external review of the remedy. Reviews should be conducted by senior officers that have not been involved in the grievance to ensure independence. The use of external mediators might be appropriate.
 - Sharing any lessons learned with relevant stakeholders to avoid similar impacts and improve response and remedy.



Call for Action for policy makers and regulators

Actions for policy makers and regulators may include the following:

Regulatory stakeholders should consider both hard and soft law elements to enhance both access to and the effectiveness of remedy.

- Introduce forced labour import bans to stop products produced with forced labour from entering markets, and creation of remediation funds to provide remedy to harmed workers.
- Strengthen forced labour legislation incorporating criminal liability, consistent with international standards, and accompanied by adequate enforcement.
- Adopt human rights due diligence laws with requirements for grievance mechanisms and grounds for civil liability.
- Introduce National Referral Mechanisms and compensation schemes for victims to enable access to remediation for victims.
- Increase awareness of judicial and non-judicial grievance mechanisms such as court proceedings, National Human Rights Institutions and OECD National Contact Points to improve accessibility of additional routes for access to remedy.

11 | Annex 1 – Global legal risk table

Country	Law	Relevant provisions	Recent developments
Modern slavery disclosure laws			
United Kingdom	Modern Slavery Act 2015	<p>The UK Modern Slavery Act established a disclosure-based regime, requiring businesses to report on modern slavery and human trafficking in their operations and supply chains. The voluntary reporting criteria do not mention remediation.</p> <p>Compliance and enforcement: under the current legislation, enforcement could be pursued by the Home Secretary seeking an injunction from the court.</p>	<p>While the Act currently does not include mandatory reporting criteria, a review by an independent committee released in 2019 recommended introducing mandatory criteria including reporting on the due diligence processes, remediation, and the steps taken to measure and manage modern slavery risk. The review also suggested stricter approach to non-compliance including fines and a dedicated enforcement body. The Government Response paper issued following the independent review was broadly supportive of the stricter transparency and compliance requirements but proposed further consultations.¹²⁵</p>
Australia	Commonwealth Modern Slavery Act 2018	<p>The Act requires large businesses to report on modern slavery risks in their operations and supply chains, as well as actions taken to assess and address these risks, which includes due diligence and remediation processes.</p> <p>Compliance and enforcement: Under the Act, the government can request a company provides an explanation or takes corrective action in cases of non-compliance. The current version of the Act does not allow an offence to arise from non-compliance.</p>	<p>In 2023, a review of the Act issued a number of recommendations which, if accepted, will significantly enhance the current requirements.¹²⁶ Specifically, the review suggests adding new mandatory reporting criteria including reporting on modern slavery or risks identified by the entity and the grievance and complaints mechanisms available. The review also proposes establishing penalties for non-compliance with the Act, and a complaints mechanism.</p>
Canada	Forced and Child Labour in Supply Chains Act 2023	<p>This legislation introduces requirements for in-scope businesses to report on their actions to prevent and mitigate forced and child labour in their supply chains.¹²⁷ The topics that should be covered in the reports include measures taken to remediate any forced and child labour abuses, as well as measures taken to remediate the loss of income that occurred as a result of measures to eliminate labour abuses. The Act also bans import of products made with child labour.</p> <p>Compliance and enforcement: The Act provides the government with enforcement powers and establishes penalties for non-compliance, including compliance orders and fines.</p>	
Human rights due diligence laws			
France	Corporate Duty of Vigilance Law 2017	<p>Large companies are required to establish, enforce and report on a vigilance plan mapping out prevention and mitigation human rights risks in their operations and supply chains.¹²⁸</p> <p>Compliance and enforcement: Any concerned party can file a complaint in cases of non-compliance, after which a court can order the company to develop and publish or improve their vigilance plan.</p> <p>Failure to publish a vigilance plan might lead to a financial penalty for companies. The law also provides for civil liability, enabling affected persons to seek damages where compliance could have prevented adverse impacts.</p>	<p>In 2023, two prominent multinational corporates faced litigation related to environmental due diligence obligations under the Law.¹²⁹ One of those cases involves a commercial bank and alleges that the bank’s provision of financing to fossil fuels companies breaches its duties under the Duty of Vigilance legislation, suggesting that financial activities are not outside the scope of this law.¹³⁰</p> <p>In addition, there is ongoing litigation against several corporates concerning human rights violations stemming from the alleged failures in the development and implementation of the vigilance plan; breaches of worker rights in the supply chain; and other human rights-related grounds.¹³¹</p>

Country	Law	Relevant provisions	Recent developments
Norway	The Transparency Act 2022	<p>The Act introduced mandatory due diligence and due diligence reporting duties for corporates, as well as the duty to share related information if requested.¹³²</p> <p>Under the Act, the duty to carry out due diligence includes providing for or cooperating in remediation and compensation when required; and the due diligence reporting requirements include information on the measures taken to cease or mitigate adverse impact, and the results or expected results of these measures.¹³³</p> <p>Compliance and enforcement: The Act also addresses oversight and enforcement, and potential financial penalties for non-compliance.</p>	
Japan	Guidelines on Respecting Human Rights in Responsible Supply Chains 2022 (English) (Japanese)	<p>The Guidelines set out general expectations in line with UNGPs, which means that investors would be expected to avoid causing or contributing to adverse human rights impacts through their business activities (including their operations and investment activities) and take steps to prevent and mitigate adverse impacts that are directly linked to them. The Guidelines include a section on remediation when a business has caused, contributed, or was directly linked to an adverse human rights impact, as well as grievance mechanisms and state-based remedy mechanism.¹³⁴</p> <p>Enforcement: the Guidelines are voluntary.</p>	
Germany	Act on Corporate Due Diligence Obligations in Supply Chains (Supply Chain Act) 2023	<p>This Act covers preventative and remedial obligations, requiring companies to remediate harm that has occurred or will occur.</p> <p>Compliance and enforcement: the Act also includes a complaints mechanism requirement, establishes monitoring arrangements and financial liability in cases of non-compliance.</p>	<p>Legal cases initiated following the introduction of the Supply Chain Act include a complaint against several global large cap companies in connection to alleged failures to ensure worker safety in the supply chain, as well as a case against several prominent German automotive companies in relation to forced labour risks in Xinjiang.¹³⁵</p>
EU	Corporate Sustainability Due Diligence Directive (CSDDD)	<p>To comply with their due diligence obligations, companies will need to take appropriate measures to identify, prevent, end, minimise and remediate adverse impact (this includes establishing a grievance mechanism for affected stakeholders). In addition, regulated financial institutions are expected to consider adverse impacts and use their leverage to influence companies, for example through exercise of shareholder rights.¹³⁶</p> <p>Compliance and enforcement: The proposed Directive includes requirements for the Member States to designate a national supervisory authority to conduct monitoring and enforcement, and introduce rules regarding penalties, including pecuniary penalties arising from companies' failure to comply with the due diligence obligations; Member states will also be required to introduce rules concerning the civil liability for damages caused by the company intentionally or negligently failing to prevent and mitigate potential adverse impacts.</p>	<p>CSDDD was approved by the European Parliament in April 2024, and formally endorsed by the Council in May 2024.</p>

Country	Law	Relevant provisions	Recent developments
Forced labour import ban law			
USA	US Tariffs Act 1930	Under the US Tariffs Act 1930, Customs and Border Protection (CPB) can withhold products produced with forced labour by issuing Withhold Release Orders (WROs). WROs can be subsequently modified if the importer is able to demonstrate that their products are no longer produced by forced labour – this can be demonstrated by providing evidence of remediating the indicators of forced labour. ¹³⁷ Allegations of forced labour can be reported by anyone through the Customs and Border Protection website and are subject to investigation on a case-by-case basis.	A 2021 incident involving Malaysian glove manufacturers whose shipment received a WRO resulted in a loss of over \$75 million in potential export revenues. The process of removing the WRO involved extensive remedial efforts by the importer, including remediation payments to workers, improving accommodation, working conditions and payment practices, which was necessary in order to provide evidence that the imported products were no longer made using forced labour as required by the CBP. ¹³⁸
	Uyghur Forced Labour Prevention Act 2021 (UFLPA)	The UFLPA creates a rebuttable presumption that goods mined, produced, or manufactured wholly or in part in Xinjiang or by an entity on the UFLPA Entity List are prohibited from U.S. importation.	
Mexico	The Forced Labour Regulation 2023	The Labor Chapter of the United States-Mexico-Canada Agreement (USMCA) required the Parties to take measures to prohibit the importation of goods produced by forced labour. ¹³⁹ The Regulation prohibits import of goods produced with forced labour into Mexico, in which the Ministry of Labour and Social Welfare has the power to issue resolutions banning certain goods from being imported on that basis. Investigation can either be initiated by the Ministry or on the basis of petition submitted by individuals or legal entities. An importer whose goods were banned by a resolution has an opportunity to demonstrate that they are no longer produced with forced labour. ¹⁴⁰	
EU	Forced Labour Ban Regulation	The recently approved Regulation introduces a ban on goods produced with forced labour from circulating in the common market and empowers the relevant authorities to prohibit or withdraw such goods. The product ban can be withdrawn by the relevant authority if the company demonstrates that forced labour was eliminated from their operations or supply chain and that relevant instances of forced labour were remediated. ¹⁴¹	

12 | Endnotes

- 1 In Hong Kong, the SFC has not reviewed the contents of this website.
- 2 https://cdn.walkfree.org/content/uploads/2022/09/12142341/GEMS-2022_Report_EN_V8.pdf
- 3 <https://www.walkfree.org/reports/modern-slavery-response-remedy-framework/>
- 4 <https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights>. The UNGPs have been widely adopted and incorporated into business and investor frameworks such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN-supported Principles for Responsible Investment (PRI).
- 5 <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/LetterSOMO.pdf> pp. 2-3. OECD letter p. 6; <https://www.oecdwatch.org/complaint/lok-shakti-abhiyan-et-al-vs-government-pension-fund-global/>. This guidance focuses on asset owners and asset managers investing in listed equities, rather than other asset classes such as fixed income, commodities, and real estate.
- 6 UNGPs 11 and 12
- 7 UNGP15
- 8 UNGP19
- 9 <https://www.unpri.org/human-rights/why-and-how-investors-should-act-on-human-rights/6636.article>; <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGP10/Stocktaking-investor-implementation.pdf>; <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>
- 10 <https://www.unpri.org/human-rights/why-and-how-investors-should-act-on-human-rights/6636.article>
- 11 SOMO letter, p2 <https://www.ohchr.org/Documents/Issues/Business/LetterSOMO.pdf>
- 12 <https://www.unpri.org/human-rights/why-and-how-investors-should-act-on-human-rights/6636.article>; see also Discussion paper: Working Group enabling remediation, May 2019. IRBC Agreements, Dutch Banking Sector Agreement <https://www.imvoconvenanten.nl/-/media/imvo/files/banking/paper-enabling-remediation.pdf>
- 13 <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGP10/Stocktaking-investor-implementation.pdf>; <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>
- 14 <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGP10/Stocktaking-investor-implementation.pdf>; <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>
- 15 <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGP10/Stocktaking-investor-implementation.pdf>; <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>
- 16 <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGP10/Stocktaking-investor-implementation.pdf>. The European Parliament position report on the CSDDD specifically addresses that the obligation of institutional investors to “induce their investee companies to bring actual adverse impacts caused by them to an end”; <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>
- 17 OECD, Responsible business conduct for institutional investors: Key considerations for due diligence under the OECD Guidelines for Multinational Enterprises, 2017
- 18 <https://responsibleinvestment.org/wp-content/uploads/2021/11/Investor-Toolkit-Human-Rights-with-a-Focus-on-Supply-Chains.pdf>
- 19 <https://www.ag.gov.au/sites/default/files/2023-05/Report%20-%20Statutory%20Review%20of%20the%20Modern%20Slavery%20Act%202018.PDF>
- 20 <https://drive.google.com/file/d/1AkLOHr2obZMzrTDV5DmGflivKugnGRcn/view?pli=1>
- 21 <https://www.cbp.gov/document/fact-sheets/how-are-wro-and-or-finding-modifications-and-revocations-processed>
- 22 <https://www.cbp.gov/newsroom/national-media-release/cbp-modifies-withhold-release-order-natchi-apparel-p-ltd>; <https://www.dol.gov/agencies/ilab/comply-chain/steps-to-a-social-compliance-system/step-6-remediate-violations/example-in-action-top-glove-wro-and-subsequent-modification>; In addition, a social compliance guidance published by the US Department of Labor’s Bureau of International Labor Affairs (ILAB)’s Office of Child Labor, Forced Labor, and Human Trafficking in order to assist companies to avoid violations of forced labour-related trade laws, highlights the need to remediate forced labour incidents as they arise. <https://www.dol.gov/agencies/ilab/comply-chain/steps-to-a-social-compliance-system/step-6-remediate-violations>
- 23 <https://chainreactionresearch.com/the-chain-sime-darby-fgv-see-reputational-hits-from-u-s-stop-orders/>
- 24 <https://financialpost.com/pmn/business-pmn/shares-of-malysias-fgv-plunge-after-u-s-ban-on-its-palm-oil-products>
- 25 https://www.remedyproject.co/remediation-of-forced-labour-under-the-tariff-act-1930#6_Palm_Oil_Malaysia
- 26 UNGP19; <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGP10/Stocktaking-investor-implementation.pdf>
- 27 First Sentier MUFG Sustainable Investment Institute, Constructive corporate engagements from a corporate perspective, September 2023, p6. Available from <https://www.firstsentier-mufg-sustainability.com/research/corporate-engagement-report.html>
- 28 Adapted from FAST leverage. WG on BHR, Taking Stock of Investor Implementation p#. Engaging companies in dialogue, filing shareholder resolutions, proxy voting, participating in peer-to-peer and multi-stakeholder initiatives, engaging with State institutions and other standard-setting bodies, engaging with other stakeholders such as civil society organisations and integrating human rights criteria into agreements with business relationships. Adapted from <https://www.ohchr.org/en/publications/special-issue-publications/corporate-responsibility-respect-human-rights-interpretive>
- 29 First Sentier MUFG Sustainable Investment Institute, Constructive corporate engagements from a corporate perspective, September 2023, p6. Available from: <https://www.firstsentier-mufg-sustainability.com/research/corporate-engagement-report.html>
- 30 <https://www.iastapac.org/faq/>
- 31 <https://www.ccla.co.uk/sustainability/driving-change/modern-slavery>

- 32 <https://www.stewartinvestors.com/all/insights/beyond-due-diligence.html>
- 33 <https://future.portfolio-adviser.com/stewart-investors-founds-investor-network-to-push-for-responsible-mining/>
- 34 UNGP29; <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf>
- 35 <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>; <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf>
- 36 Discussion paper: Working Group enabling remediation, May 2019. IRBC Agreements, Dutch Banking Sector Agreement. <https://www.imvoconvenanten.nl/-/media/imvo/files/banking/paper-enabling-remediation.pdf>.
- 37 OECD, Responsible business conduct for institutional investors; see also <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf>
- 38 https://www.admcapital.com/wp-content/uploads/2023/06/Grievance-Mechanism-Statement_Website-1.pdf
- 39 <https://www.anz.com.au/about-us/esg/fair-responsible-banking/human-rights/>
- 40 <https://www.anz.com.au/content/dam/anzcomau/documents/pdf/aboutus/anz-grievance-mechanism-framework-nov2021.pdf>
- 41 <https://www.bio-invest.be/en/grievance-mechanism>
- 42 <https://climatefundmanagers.com/grievance-mechanism/>
- 43 <https://sweefcapital.com/grievance-mechanism/>
- 44 <https://www.ohchr.org/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf>
- 45 <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf>. The European Parliament position report on the CSDDD specifically addresses that the obligation of institutional investors to “induce their investee companies to bring actual adverse impacts caused by them to an end”.
- 46 Interfaith Centre on Corporate Responsibility, Responsible Contracting Project, Investor Guidance on Responsible Contracting, March 2024 <https://www.responsiblecontracting.org/investor-guidance>
- 47 https://www.ohchr.org/documents/publications/guidingprinciplesbusinessshr_en.pdf
- 48 <https://assets.ombudsman.vic.gov.au/assets/Best-Practice-Guides/Complaints-Good-Practice-Guide-for-Public-Sector-Agencies.pdf>
- 49 <https://www.imvoconvenanten.nl/-/media/imvo/files/banking/paper-enabling-remediation.pdf>
- 50 https://modernslaveryregister.gov.au/resources/Model_Modern_Slavery_Contract_Clauses.pdf
- 51 <https://www.edc.ca/content/dam/edc/en/corporate/corporate-social-responsibility/environment-people/principles-leverage-remedy.pdf>
- 52 <https://www.ohchr.org/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf>
- 53 <https://www.ohchr.org/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf>
- 54 M&G plc Modern Slavery Transparency Statement 2022 https://www.mandg.com/~/_/media/Files/M/MandG-Plc/documents/site-services/2022-modern-slavery-statement.pdf
- 55 <https://www.ohchr.org/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf>
- 56 <https://www.ohchr.org/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf>
- 57 <https://www.walkfree.org/reports/modern-slavery-response-remedy-framework/>
- 58 This report adapts the Response and Remedy Framework by considering the ‘Review’ stage in the ‘Preventing cases after remedy provided’ section.
- 59 <https://www.walkfree.org/reports/modern-slavery-response-remedy-framework/>
- 60 <https://assets.ombudsman.vic.gov.au/assets/Best-Practice-Guides/Complaints-Good-Practice-Guide-for-Public-Sector-Agencies.pdf>
- 61 <https://assets.ombudsman.vic.gov.au/assets/Best-Practice-Guides/Complaints-Good-Practice-Guide-for-Public-Sector-Agencies.pdf>. Factors to consider include: the seriousness of the issues raised, the complexity of the complaint, any need for urgent action, whether the complaint raises systemic issues and the impact on the person and broader community, the potential for the complaint to escalate, whether the complaint is about an officer/s, and needs to be handled by an independent, impartial person, and whether the complaint involves other stakeholders.
- 62 <https://assets.ombudsman.vic.gov.au/assets/Best-Practice-Guides/Complaints-Good-Practice-Guide-for-Public-Sector-Agencies.pdf>. Complainants should know who is handling their complaint and how to contact them, how the complaint will be dealt with, what issues are being considered, their likely involvement in the process, when they can expect a response, and the possible or likely outcomes.
- 63 Identification of modern slavery and labour exploitation complaints should rely on the international human rights and labour rights standards and international criminal offences, and relevant supplementary indicators and metrics such as the ILO forced labour indicators.
- 64 <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>
- 65 <https://www.nytimes.com/2023/12/28/us/migrant-child-labor-audits.html>
- 66 <https://www.mondelezinternational.com/united-states/press-releases/mdlz-statement-in-response-to-new-york-times-coverage/>
- 67 https://www.business-humanrights.org/documents/39653/Response_Business_Human_Rights_Centre_NYT_01_09_24.pdf
- 68 <https://www.telegraph.co.uk/global-health/climate-and-people/shimano-cycling-parts-made-by-modern-slaves-in-malaysia/>
- 69 <https://www.business-humanrights.org/en/latest-news/shimano-response-re-forced-labour-allegations-at-malaysian-supplier/>
- 70 [BP Modern slavery and human trafficking statement 2021](#)
- 71 [BP Modern slavery and human trafficking statement 2022](#)
- 72 Target Modern slavery statement 2019

- 73 Decathlon UK Ltd, Modern Slavery Statement 2019
- 74 <https://www.walkfree.org/reports/modern-slavery-response-remedy-framework/>
- 75 <https://assets.ombudsman.vic.gov.au/assets/Best-Practice-Guides/Complaints-Good-Practice-Guide-for-Public-Sector-Agencies.pdf>. Good outcome letters, for example, briefly describe the complaint and identify the issues; use plain English and avoid bureaucratic language, acronyms and jargon; explain the steps taken to investigate or resolve the complaint; set out any relevant laws or policies in simple language; clearly identify the outcome and, if the complaint is substantiated, the remedies being offered; provide reasons for the decision; give the name and telephone number of an officer the complainant can contact to discuss the outcome; and, are translated into a language other than English where appropriate.
- 76 <https://assets.ombudsman.vic.gov.au/assets/Best-Practice-Guides/Complaints-Good-Practice-Guide-for-Public-Sector-Agencies.pdf>
- 77 <https://assets.ombudsman.vic.gov.au/assets/Best-Practice-Guides/Complaints-Good-Practice-Guide-for-Public-Sector-Agencies.pdf>
- 78 <https://dq06ugkuram52.cloudfront.net/files/8208194/26195950.pdf>
- 79 <https://www.oecdwatch.org/complaint/ec-and-idi-vs-australia-and-new-zealand-banking-group/>
- 80 <https://www.oecdwatch.org/complaint/ec-and-idi-vs-australia-and-new-zealand-banking-group/>; <https://www.business-humanrights.org/en/latest-news/cambodia-anz-bank-compensate-families-involved-in-land-disputes-with-sugar-companies-in-kampong-speu-province/>
- 81 <https://www.ohchr.org/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation.pdf>
- 82 Laplane, J., E. Achterberg, J. Ramirez (2022, July), Pension funds' response to human rights abuses in the extractive industries – A case study for the Fair Pension Guide Netherlands, Amsterdam, The Netherlands: Profundo. <https://profundo.nl/download/2022-epw-mensenrechten-hrs-and-extractives-case-study-280622>
- 83 Examples of new complaints filed recently are:
- Zara Canada (2023): Ottawa's corporate ethics authority initiated an investigation into allegations of forced labour within Zara Canada's supply chain, following an Initial Assessment report prompted by a complaint filed by 28 civil society organisations in 2022. <https://core-ombuds.canada.ca/core-ombuds-ocre-ombuds/press-release-zara-communique-presse.aspx?lang=eng>
 - Tesco (2022): 130 former workers filed a lawsuit alleging forced labour conditions in a Thai factory which supplied clothes for Tesco in Thailand. <https://www.theguardian.com/business/2022/dec/18/workers-in-thailand-who-made-ff-jeans-for-tesco-trapped-in-effective-forced-labour>
 - Yves Rocher (2022): 34 former employees of a Turkish subsidiary, together with a Turkish trade union and civil society organisations filed a lawsuit against Yves Rocher in France, alleging failure to comply with the Duty of Vigilance legislation and requesting the court order for the company to pay damages to employees affected by breaches of their labour rights. <https://www.asso-sherpa.org/french-cosmetics-company-yves-rocher-facing-court-proceedings-for-failure-to-ensure-freedom-of-association-and-workers-rights-in-turkey>
 - Bumble Bee Foods (2022): Global Labor Justice – International Labor Rights Forum filed a lawsuit against the company in an US court, alleging a long history of engaging in or allowing unfair and dangerous labour practices in their supply chain. <https://www.seafoodsource.com/news/environment-sustainability/bumble-bee-adamantly-disagrees-with-forced-labor-lawsuit-claims>
 - Dyson (2022): a group of 24 workers filed a lawsuit against Dyson in the UK, alleging experiencing forced labour while working in factories which formed part of Dyson supply chain in Malaysia. <https://www.leighday.co.uk/news/news/2022-news/migrant-workers-issue-legal-claim-against-dyson-for-alleged-forced-labour-and-abusive-working-conditions/>
 - C&A, Lidl, Hugo Boss and other German retailers (2021): the European Center for Constitutional and Human Rights filed a criminal complaint in Germany against several retailers based on accusations of benefiting from forced labour in their supply chain in China. <https://hongkongfp.com/2021/09/06/activists-accuse-ca-lidl-aldi-hugo-boss-over-uyghur-forced-labour/>
- 84 <https://www.eeoc.gov/newsroom/eeoc-files-its-largest-farm-worker-human-trafficking-suit-against-global-horizons-farms>; <https://www.eeoc.gov/newsroom/federal-judge-awards-eeoc-7658500-case-against-farm-labor-contractor-global-horizons>
- 85 <https://www.aclu.org/press-releases/federal-jury-awards-14-million-indian-guest-workers-victimized-labor-trafficking>
- 86 <https://www.leighday.co.uk/news/news/2015-news/british-company-sued-in-landmark-modern-slavery-case/>
- 87 <https://www.amnesty.ca/human-rights-news/amnesty-international-applauds-settlement-in-landmark-nevsun-resources-mining-case/>
- 88 <https://www.reuters.com/article/2015/09/02/brazil-odebrecht-slavery-idUSL1N11802E20150902/>
- 89 <https://www.walkfree.org/reports/modern-slavery-response-remedy-framework/>
- 90 <https://www.alliancebernstein.com/content/dam/corporate/corporate-pdfs/AB-Global-Slavery-Statement.pdf>
- 91 https://www.business-humanrights.org/documents/39498/Response_from_Carrefour_to_the_Ocean_Outlaw_Project_investigation.docx
- 92 https://www.danone.co.uk/content/dam/corp/local/gbr/uk/DANONE_UK_Modern_Slavery_Statement_22-23_FINAL.pdf
- 93 Woolworths Group Modern Slavery Statement 2022 <https://www.woolworthsgroup.com.au/content/dam/wwg/investors/reports/2022/full-year/Woolworths%20Group%20Modern%20Slavery%20Statement%202022%20print%20friendly.pdf>
- 94 <https://www.walkfree.org/reports/modern-slavery-response-remedy-framework/>
- 95 See, for example, Ethical Partners Funds Management: Engagement Report, Stewardship Issue: Tailings, p. 34. Available from: https://assets-global.website-files.com/5b4d31c5e11a78eff0022917/6437af6321d71d22131656f6_Ethical_Partners_Engagement%20Report%202022%20Final.pdf; Federated Hermes International: Modern Slavery Statement May 2020, Case studies on pp6-7. Available from: <https://dq06ugkuram52.cloudfront.net/files/6336315/22973907.pdf>; and Council on Ethics Swedish National Pension Funds Annual Report 2022: Sustainable ownership through dialogue and engagement. Available from https://etikradet.se/wp-content/uploads/2023/03/Annual-report-CouncilOnEthics_2022_EN.pdf

- 96 <https://www.responsible-investor.com/patience-has-run-out-pension-fund-ditches-amazon-over-workers-rights/>
- 97 Interview
- 98 <https://www.unpri.org/rathbones-votes-against-slavery/9412.article>
- 99 <https://www.walkfree.org/reports/modern-slavery-response-remedy-framework/>. Include the following details where possible: detail and verification of the grievance; outcome of investigation and monitoring of response; whether the company has assessed that it caused, contributed to or was directly linked to the incident; actions taken to support the workers that were harmed; remedy provided, and any ongoing work to provide remedy, including timeframes and deadlines; feedback received from harmed worker/s, including whether they were satisfied with the remedy provided; contact details of key stakeholders, and record of key communications (subject to confidentiality and privacy considerations); any changes that were implemented internally to prevent similar harm from reoccurring; and, time taken to reach a resolution.
- 100 Aviva's Modern Slavery and Human Trafficking Statement 2021 <https://static.aviva.io/content/dam/aviva-public/gb/pdfs/personal/miscellaneous/aviva-modern-slavery-statement-2021.pdf>
- 101 Unilever, Modern Slavery and Trafficking statement 2021 <https://www.unilever.com/files/68fbf238-6486-4381-91da-985219f98e6d/unilever-modern-slavery-statement-2022.pdf>
- 102 Woolworths Group Modern Slavery Statement 2022 <https://www.woolworthsgroup.com.au/content/dam/wwg/investors/reports/2022/full-year/Woolworths%20Group%20Modern%20Slavery%20Statement%202022%20print%20friendly.pdf>
- 103 Buescope Modern Slavery Statement FY2023
- 104 <https://assets.ombudsman.vic.gov.au/assets/Best-Practice-Guides/Complaints-Good-Practice-Guide-for-Public-Sector-Agencies.pdf>
- 105 KPIs could measure complaint outcomes e.g. decisions upheld, partially upheld or not upheld; time taken to resolve matters; any changes resulting from complaints; the number of complaint outcomes altered following internal review; complainant satisfaction with complaint handling system; the number of complaints escalated to senior officer; or the number of complaints escalated to external mechanisms, resulting in changes to decisions, policies or practices.
- 106 Key questions for investors to ask investee companies to ensure they are analysing complaints and assessing complaint handling performance:
- How many cases of modern slavery have been received or identified? How were they found – grievance mechanism, due diligence, social audit, etc?
 - Did the grievance mechanism process and administration allow for proper investigation take place to understand the complaint? Who are the complainants? Has there been meaningful dialogue with complainants? What was the relationship to harm? (i.e. cause, contribute, directly linked) Where harm is ongoing – have steps been taken to end it?
 - Did the grievance mechanism result in appropriate remedy? What was the remedy provided? Was an explanation for the determination of the remedy given? Was the remedy satisfactory? How is that verified; for example, record review, employee interviews or spot-checks?
- 107 Unilever Australia Modern Slavery Statement 2022
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