

A close-up photograph of a person's hands, likely a woman, holding a small, dark red object between her fingers. She is wearing a dark blue top and a light-colored, possibly white or grey, skirt. Her wrists are adorned with metal bangles. The background is filled with various colors of threads and yarn, including red, orange, yellow, and blue, suggesting a textile or craft-making environment. The lighting is warm and focused on the hands.

# INVESTORS AGAINST SLAVERY AND TRAFFICKING ASIA-PACIFIC

Promoting effective action among companies to find, fix and prevent modern slavery, labour exploitation and human trafficking

18 August 2022

# What do we mean by ‘modern slavery’?

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom.

Modern slavery practices are major violations of human rights and serious crimes.

Modern slavery is not practices like substandard working conditions or underpayment of workers.

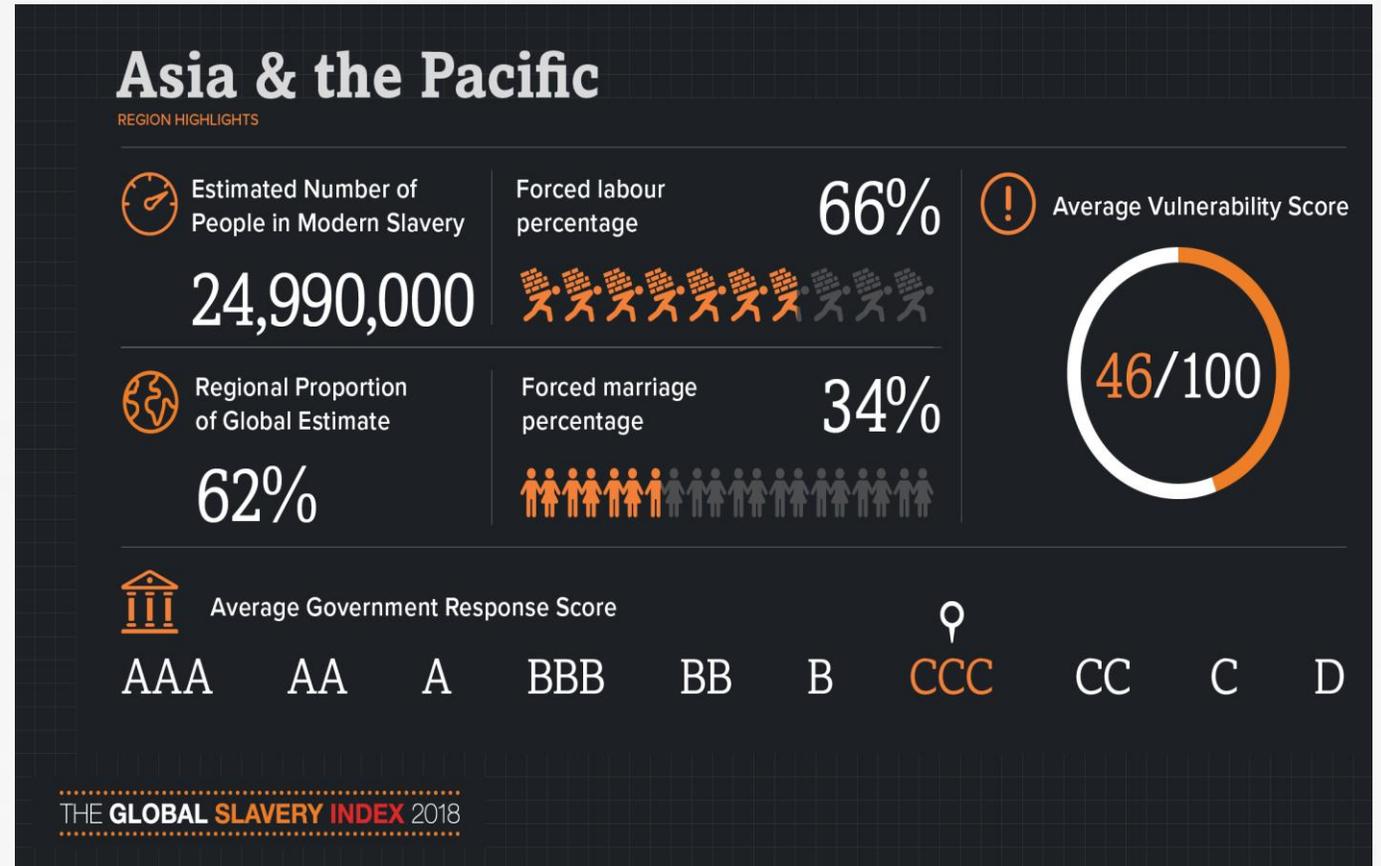
Modern slavery can occur in every industry and sector - risk may be higher for large companies with extensive, complex, global supply chains.

Modern slavery has severe consequences for victims.



# Does modern slavery happen in the Asia-Pacific region?

- In 2016, an estimated 24.9 million people were living in modern slavery in Asia and the Pacific. The region had the second highest prevalence in the world with 6.1 per 1,000.
- APAC had a higher prevalence of forced labour (4.0 per 1,000 people) than other regions. Over half of the victims were held in debt bondage, and this affected male victims more than female victims.
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- Within the region, North Korea, Afghanistan, and Pakistan were the countries with the highest prevalence of modern slavery. India, China, and Pakistan had the highest absolute number of people living in modern slavery and accounted for 60 percent of the victims in the region.
- In 2016, there were 37,000 people living in conditions of modern slavery in Japan, a prevalence of 0.3 per 1,000.

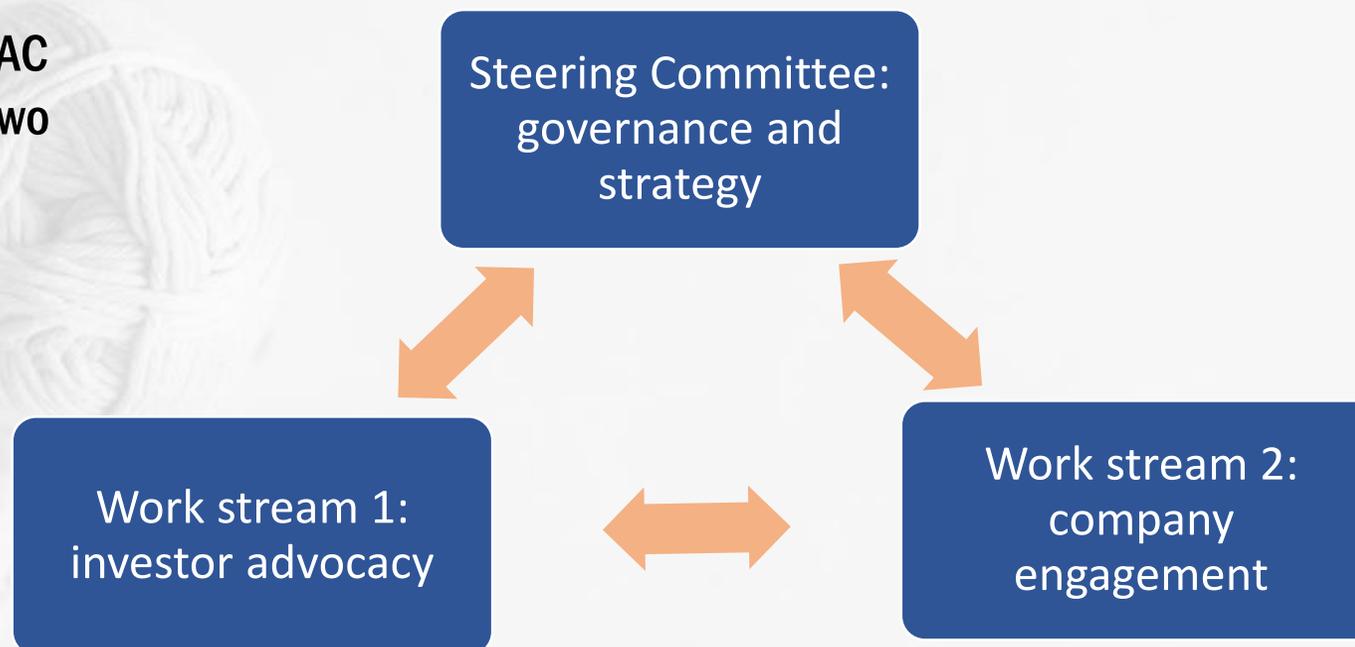


## Why was IAST APAC set up and what does it do?

**Why:** to engage with companies in APAC in which we collectively invest, and promote effective action amongst them to find, fix and prevent modern slavery, labour exploitation and human trafficking.

**Who:** the initiative was convened by First Sentier Investors and the Steering Committee includes Aware Super, AustralianSuper, Ausbil Investment Management, Fidelity and the Australian Council of Superannuation Investors. Walk Free together with the Liechtenstein Initiative for Finance Against Slavery and Trafficking act as Secretariat and Knowledge Partners to the initiative.

**How:** investors joining IAST APAC can contribute one or both of two work streams.



# What is Australia's Modern Slavery Act and how does it work?

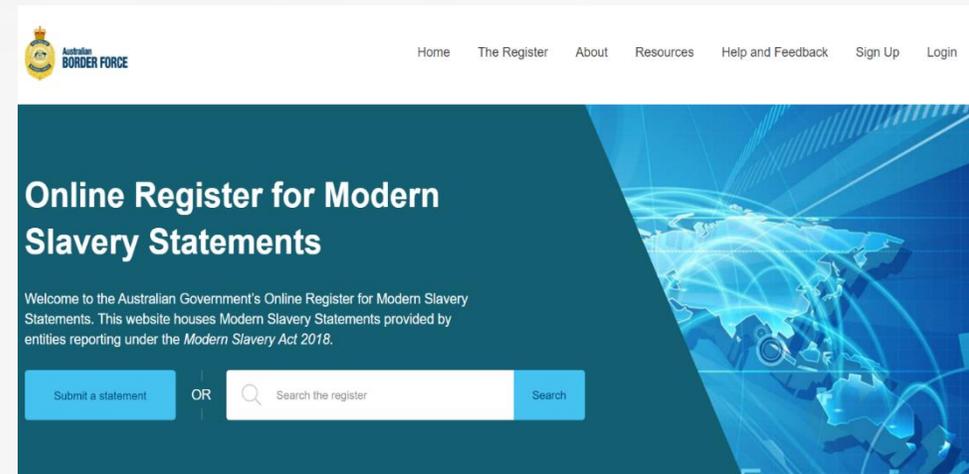
The Australian Modern Slavery Act 2018 established Australia's national Modern Slavery Reporting Requirement.

The Act's primary objective is to assist the business community in Australia to take proactive and effective actions to address modern slavery.

Certain large businesses and other entities (reporting entities) must publish annual Modern Slavery Statements online on a central register.

A Statement must cover mandatory criteria by describing:

- The reporting entity's structure, operations and supply chains
- The potential modern slavery risks in its operations and supply chains
- Actions it has taken to assess and address those risks, including due diligence and remediation processes, and
- How it assesses the effectiveness of the actions.



A statement must be signed by a responsible member for the reporting entity, approved by its principal governing body and provided to the Minister within six months from the end of its financial year.

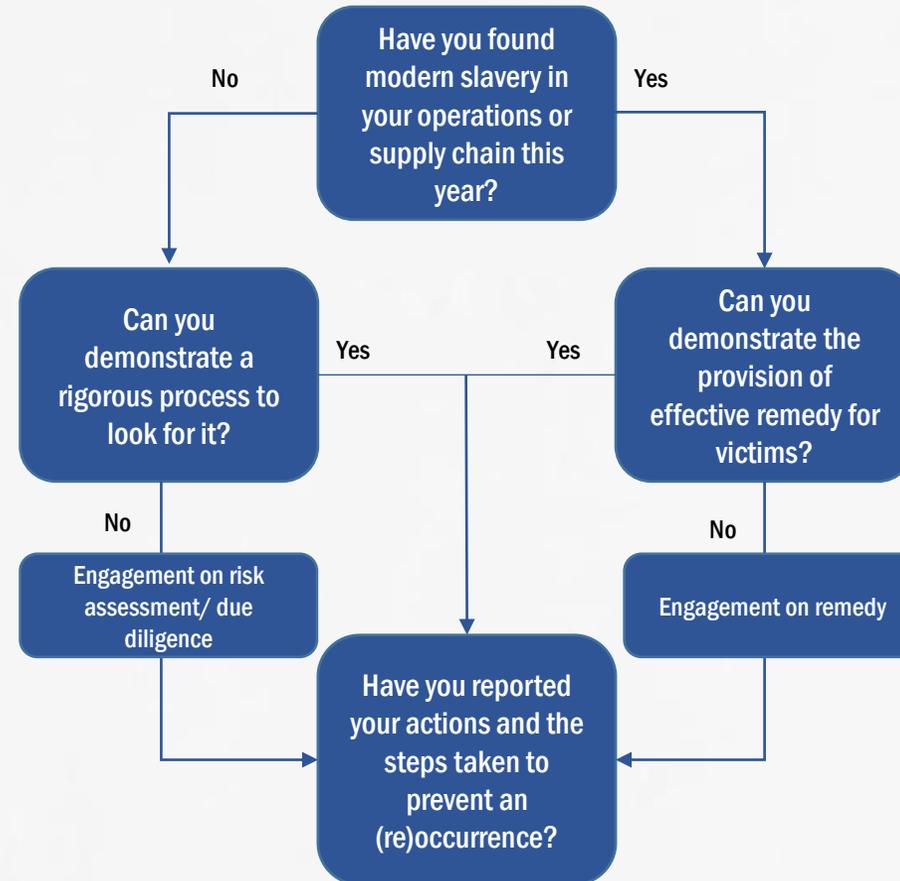
Investors can be large businesses that must report under the Act, and investment portfolios can be part of either operations or supply chains. Investors can also review and use Statements as part of their ESG analysis and company engagement.

# How does IAST APAC engage with companies?

Who: Investors can join the company engagement work stream as either a lead or support investor, within small group collaborations that engage the different focus companies selected from four initial sectors:

- Consumer discretionary
- Consumer staples
- Technology
- Healthcare

What: The group develops an engagement plan based on the IAST APAC engagement guidelines, which sets time bound goals and milestones in relation to finding, fixing and preventing modern slavery and centres on the following 4 questions:



# How has IAST APAC helped your company engagement?

IAST APAC helped us to:

- Understand the basics of modern slavery issues, regulatory developments around the world, and risks in different sectors.
- Make an engagement plans, including objectives, questions, and approaches, by sharing useful frameworks, guidelines, and tools to conduct engagement on modern slavery issues.
- Build knowledge and learn from other investors by hosting a meeting on regular basis where participating investors share their engagement experiences and challenges.

**IAST**  
**APAC**

# Does addressing modern slavery make business sense?

For investors, business taking action to address modern slavery in operations and supply chains makes good business sense because it:

- Protects them against possible harm
- Improves the integrity and quality of supply chains
- Increases profitability
- Improves investor and consumer confidence and financing opportunities
- Improves relationships with workers and local communities, and
- Leads to greater access to business opportunities.

Modern slavery is **not just an issue in developing countries** and it is **not only a social issue**.



# Disclaimer



Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) is an investor-led multi-stakeholder initiative convened to promote effective action among companies in the Asia-Pacific region to find, fix and prevent modern slavery, labour exploitation and human trafficking in their value chains. Membership to IAST APAC is open to any asset owner or asset manager with an office in the Asia Pacific region. This document has been prepared for general information purposes only. The views expressed in this document are the views of IAST APAC and do not necessarily reflect the views of individuals or members associated with IAST APAC. Such views are subject to change without notice and may substantially differ from the views of individuals or members associated with IAST APAC. To the extent permitted by law, no liability is accepted by IAST APAC nor any members of IAST APAC for any loss or damage as a result of any reliance on this material. This material contains, or is based upon, information that IAST APAC believes to be accurate and reliable, however neither IAST APAC nor any individuals or members associated with IAST APAC offer any warranty that it contains no factual errors.