

EPISODE 1: Dr. Tina Davis Interviews Fiona Reynolds

TINA:

Welcome to the SlaveFree Today podcast. My name is Dr. Tina Davis. I am the assistant editor of the *Journal of Modern Slavery* and the host for this podcast series. Today I wish to warmly welcome Fiona Reynolds. Fiona is the CEO of the Principles for Responsible Investment, also known as PRI based in London. Fiona has 25 years experience in the financial services and pension sector. The PRI is the major global organization for responsible investment practices and leadership and the integration of environmental, social, and governance, ESG issues across the investment chain. Fiona also serves on the board of the UN Global Compact and holds several other high level board and advisory roles. In 2018 Fiona was named by Barron's magazine as one of the 20 most influential people in sustainability global. Fiona is also the chair of the financial sector on modern slavery and human trafficking, which is why we are talking together today. So warm welcome to you Fiona. Could you please tell me a little bit about the commission on modern slavery and human trafficking and how this came about?



FIONA:

Certainly. Well, I think the important thing is that the focus on modern slavery was really looking at the numbers and I think the numbers tell us a terrible story. So 40 million people, you know, in some form of modern slavery in today, in today, 2019 where we are, that means we have one in 185 people in, it's \$150 billion industry annually. So there was really very a lot of discussions at the G7 and G20 and within the UN Security Council, etcetera, about the whole issue and the desire for governments to work with the private sector to try to come together and find solutions to what is really a human tragedy that seems to be growing rather than going away. So therefore the commission was born and the government of Lichtenstein with a number of foundations in Lichtenstein were the first people to speak to the UNU, the United Nations University, about how we might get a project to get on to work on this issue.

So then the government of Lichtenstein with the government of the Netherlands, the government of Australia came together and we formed the commission, with a number of financial sector groups. So within the commission

we have people from the investment community, we have people from the banking community and we have people who work in the, who have got expertise and work in the modern slavery area or and importantly we also have survivors of modern slavery. And it's really about how do we focus the finance sector on this issue. So the commission only looks at this from the finance sector point of view, but we recognize that the finance sector, while it can't solve this problem on its own, the problem cannot be solved without the finance sector because at the end of the day you have to follow the money.

TINA:

So could you elaborate on that? Why is the financial sector such an important sector to engage in this work to tackle modern slavery and human trafficking? And in what aspects does you say follow the money, but I guess the financial aspects feeds into so many different entry points into the practices of modern slavery and human trafficking. Can you elaborate a bit on that please?

FIONA:

It does expose him to so many aspects. So first of all, within the, obviously within the banking sector you have got anti-money laundering rules that are in place. And as I said, people who are involved in trafficking people need to launder their money some way. So how can we use the anti-money laundering rules, how can we use the information and the data that banks have to be better able to detect modern slavery, how is that data reported to the right agencies and enforcement? And then how does that enforcement take place? And sometimes there can also be these sort of tripping up against, on the one hand you've got anti money laundering rules, and on the other hand you've got privacy rules. How do we make sure that privacy is respected, but we also don't get in the way of finding important information.

So the banking sector has got a big role to play. In the investment sector, which is the sector that I work in. We as very large shareholders within of corporations. So the members they the payer I represent collectively are responsible for 90 trillion US dollars. So that's more than half the institutional money that's out there in the world. What owners of corporations, corporations obviously outsource their supply chain speak retail companies. Many organizations outsource their supply chains. So how are we asking the right questions as the owners of these corporations about how they monitor supply chains, how do they verify them? How do they know what's happening in them that it's not good enough just to say, well, I only need to worry about the direct employees that I have. No, that's not good enough. We need to know about supply chain, so we need to need to use our leverage.

We had a lot of leverage and we need to use it. So that's another area. Then of course another part that the finance sector can play, and, particularly again, the banking sector, it's really on, well how do people become vulnerable? How do people find themselves in these situations? In many cases it's because they're vulnerable. They have no access to finance, they have no access to banking, they have no access to credit. One little minor thing that can happen to them in their lives and they don't have any resilience and therefore they are vulnerable. So how do we give services to the unbanked? How do we use developing technology to make sure that people can sell goods and all of those sorts of things is another area that we're looking at. And then the other area is really about remedy. So where, how do we make sure that people who have found themselves in some form of modern slavery, how do we find, how do we help them get back on their feet where the remedy needs to be enforced how could that happen?

How could we do things like making sure that people again have got access to finance and access to credit when they, when they've come out of some form of modern slavery. We know that in many cases there are situations where particularly people who've been in human trafficking, sex trafficking kinds of situations, that traffickers then use the person's bank account, they offer ruin their credit history and then they get out of the situation only to find I can't get a bank account. I can't get access to credit. My credit is ruined. So therefore I can't get myself a flat. All of these sorts of things that, you know, it's really something that just really invades the whole financial system. So what can we do at the other end of the financial system to help people at, you know, coming out of modern slavery is a really important issue as well.

TINA:

How would you say that the leverage that all of these different parts of the financial sector have is being actually used as per today compared to how it can be used with more information and a more targeted purpose towards tackling this issue and eradicating this issue?

FIONA:

Well, I think it's improving, but I feel it still think it's a long, there's a long way to go. I think it's good to see that the far, many more governments have now got a focus on modern slavery and we see modern slavery acts come into place. So you know, the UK has had a modern slavery act for quite some time and it's just upgrading its act. Australia is boarding its first ever modern slavery act. And you know it, part of its topic is that the finance sector, it's not just in corporations, it's also about what the finance sector is doing. What are you doing to mitigate modern slavery and all of those kinds of things that I think really help, because there's

some fantastic institutions on the investment side and and there's fantastic corporations who've done a lot about these issues forever.

But frankly I think when it comes to others where there's some laggards it really does require some form of regulation to come into effect. But I think this is again where investors need to use their leverage, nothing's going to get a corporation sitting up and taking notice besides regulation is when their major shareholders are asking them questions and asking them to report and asking them to show evidence. So we had some fantastic signatories at the PRI who do a lot of good work in this area, who, you know, don't even just get reports from cooperations but they, you know, get up from behind their desk. And they go and look at, they invest in companies where they've got supply chains and they want to go and look at the factories themselves and they want to go and look at fields themselves of where workers are and they want to understand what they're going on and see with their own eyes. So I hope that it will be an area that will continue, you know, really to see a lot more improvement and that the growing bond slavery acts, will continue to grow and we'll see them in more and more and more countries.

TINA:

How can you, can you share a little bit about how you and the commission had been working in this process? I understand you've had several different consultations in different places. Can you share a little bit about the process?

FIONA:

Yeah. So they are very fortunate to be able to have, you know, many, many experts from around the world come and speak to us. So we've had meetings in, we launched in New York during UN general assembly week a year ago. Then we've had a meeting in Liechtenstein with, had a meeting in Australia, we've had a meeting in the Hague and then we'll release the report at UN general assembly week this year. So in each of those meetings we've had a focus on different areas. So you know, what's happening in banking is very different to what's happening in investment for example. And we've been able then to from hearing from all of the experts, really drill down into the areas that we think that we need to focus on the most from the commission's work. So we hope our plan is to put out a blueprint at the UN general assembly week and the blueprints will give the areas of focus, but we didn't want to just write a report with the problems.

We really then want to take the blueprint, and the idea is to work with the sectors on how do we actually get the things implemented because otherwise it's just a nice report, another nice report written on these areas that tells you all of the problems but not necessarily the solutions and actionable solutions. So the focus

for the report is really going to be around, well first of all, it's compliance with the laws against modern slavery and human trafficking. So how do we make sure that they are actually enforced? Because that's not always the case. Then we want to look at knowing and showing what slavery and human trafficking risks. So how do you identify the risks that are there. Then we want to talk about using leverage and as I was just talking about, we need to use our leverage on focusing on providing and enabling effective remedy for modern slavery and human trafficking and then investment in innovation for the prevention. So they're the really the five, the five goals that we've got for the commission.

TINA:

You mentioned at the beginning that you also have survivors as part of the commission. How has that been important in informing the work that you all have been doing?

FIONA:

I think it's just been really essential because when you work in investment and finance, sometimes everything comes down to a bit of data, you know on a spreadsheet and a piece of information and it's not as human. Now of course in the back of your mind you realize that these things are happening to people, but there's nothing like having two survivors sitting at the table with you to get your attention. And also it makes it much more difficult for you to just try to dismiss things because these people are there and they're real, so I think it's essential. They have brought in so much information that you just wouldn't, you know, have thought about. Both of the survivors. So one born in Africa, a victim of you know, child slavery, sold by his parents into the fishing boats when he was six years old, escaped when he was 16 so really lost his childhood. And then another from Eastern Europe who was sort of lured to Canada, the promise of a better life. But then found, found herself in sexual slavery. So they've got very good information into how this happens to people, but what are the effects afterwards? And both of them worked with survivors as well. So what are the things that survivors need? So I just don't think that we would have the depth of knowledge from a first hand experience without them being there.

And I feel very privileged to have worked with them but also to have got to know them and see what amazing people and that you know, they are doing so much work to try to stop others finding themselves in these situations. And I think it also reinforces to you, cause these are very normal people, you know, that this can happen to anybody. And it happens in both developed and developing countries. It happens to men. And it happens to women. We know overwhelmingly that, you know, 70% of people in slavery are women and girls. And that's a, that's

something for me that is a driving force as well. I think it's terrible. It's a terrible, terrible crime, but it's a terrible thing to find that so many women find themselves in this situation.

TINA:

I agree. How are you going to implement the blueprint? You've done all this huge piece of groundbreaking work, you know, in different countries and with people informing your work from across the world and across sectors and backgrounds. And then as you say, you don't just want it to be another report. How, how can you and others make this a tool that are actively being used to, to create that change?

FIONA:

Yeah, sure. So I think that one of the good things is, so we've had very senior people from the banking sector for example on the commission and they're committed to taking forward with the various banking sector groups, the recommendations from the commission's findings around the banking sector and then from the investment sector, for example, the pair, I will take forward the recommendations without our signatory base. So it's really working hand in hand with the particular sectors to put the recommendations into place. And then of course there's working with governments and we've got governments that have been part of the commission as well. So how can we get those governments to take the recommendations that we have where they're relevant to government back into the G20 back into the J7 back into the UN process.

So we need to use if every, every lever that we have. But I think that we have a very committed group and although the commission will effectively end in its current form, there will be a group who comes together on the dissemination side and focuses all on that side of things. And the idea is that UNU, the United Nations University that's based out of New York, it has been the secretariat for the commission and it will still play therefore a key role in the dissemination and working directly with industry. And then I'm working with other bodies and we, you know, we've done a big, big mapping exercise about who are the people that we need to work with.

TINA:

You've done this big body and big chunk of work, but you've also done it within a year, which is in a way I'm sure also limited. Is there an area where you see that you would, where you would like to see more work being done that you, you feel the commission hasn't had time to, to delve into but that you'd like to see others pursue beyond this?

FIONA:

I would really like to see more done by governments, frankly. I think industry has got a role to play. But as I said earlier, I think in many cases, unless there is some form of regulations in place that you don't, you know, you get the leaders doing things but you get others who, who are not doing anything. So I think that there's more that governments could do to bring in acts that could start off being fair, fairly basic, but then, you know, demanding that business is actually doing something to monitor, to mitigate modern slavery. I really think that that is the way, at the end of the day that we, that we will solve this problem and unless we have that, I think we'll go part of the way, but not all of the way.

You know, I do believe that corporations and large investors have got a, a lot of power in the world and many of them use that, use that very well, but I do think we need governments to step up the plate. And I think the other area that I, I suppose the other area that I'd like to see some more focus on really when you look at this issue, some of the biggest impacts are in Asia. And I'd really like to see Avion and some of the Asian country government, non-government groups have more focus on this, on this issue. And I find some time that there's a little bit of denial about what's going on and I can completely understand, you know, you have countries that are still developing and that, you know, people will come up with issues around developing countries and this is all very different.

Well that, that may be true to a certain level but I'm not suggesting that people in developing countries should be getting the same money as developed countries, et cetera, et cetera. But that doesn't mean in 2019 that we should find people in some form of slavery. People should get paid properly. They should be able to work in safe conditions. They should be able to, you know, have the right breaks and the right treatment and holidays and all of those sorts of things that we all in the, you know, in many parts of the developed world have and you know, have employment law and have representatives from unions where that's required as well. And access to people who can, you know, who can help them. So I really would like to see more focus in Asia on this issue.

TINA:

Is there anything you wish to add at the end of our conversation?

FIONA:

Well, I would hope that once the blueprint comes out that different sectors will read it and will be able to work with us to help us to put it in place.

TINA:

Thank you so much Fiona Reynolds and all the best of luck with the the launch that's taking place very shortly and no doubt that all the work you have been doing with this blueprint will play a very important part in the contribution towards eradicating and and lessening modern slavery and human trafficking and also informing sectors and beyond the financial sector as well, actors on how we can actually better tackle this issue. So thank you very much.

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