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00:00:03.449 --> 00:00:14.820

ewelina.lukasik-morawska@morningstar.com: Hello everyone and welcome to this event on sustainalytics human rights accelerator, my name is Ewelina Lukasik-Morawska and I'm a Manager at the Engagement Services team.

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00:00:15.420 --> 00:00:19.980

I'm delighted to serve as your moderator for today's session.

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For those of you who are not familiar with Sustainalytics and what do we do, let me first provide a brief overview. Sustainalytics prides itself

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in being a leading global provider of ESG and sustainable finance products and services.

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Our mission is to provide the insight required for investors and companies to make more informed decisions that eventually lead to a more sustainable global economy.

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00:00:48.450 --> 00:00:57.840

ewelina.lukasik-morawska@morningstar.com: For over 25 years our firm has been helping hundreds of the world's leading asset managers, pension funds and other institutional

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00:00:58.410 --> 00:01:05.520

ewelina.lukasik-morawska@morningstar.com: market participants that want to integrate these two factors into the investment decision process.

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00:01:06.420 --> 00:01:16.950

ewelina.lukasik-morawska@morningstar.com: For those who didn't already know, Sustainalytics was acquired by Morningstar in July of last year, and we are thrilled to be a part of Morningstar family.

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ewelina.lukasik-morawska@morningstar.com: The objective of Engagement Services is to use the leverage that investors have

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ewelina.lukasik-morawska@morningstar.com: to influence companies through constructive dialogue to become better at managing their ESG impacts

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00:01:31.470 --> 00:01:45.300

ewelina.lukasik-morawska@morningstar.com: risks and opportunities and to generally get them to act as a more responsible stakeholder aligning with the Sustainable Development Goals and UN Guiding Principles for instance.

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00:01:46.230 --> 00:01:54.000

ewelina.lukasik-morawska@morningstar.com: At Sustainalytics, we have three engagement pillars namely Global Standards Engagement, Material Risk Engagement

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00:01:54.360 --> 00:02:13.290

ewelina.lukasik-morawska@morningstar.com: and Thematic Engagement, and the Human Rights Accelerator is part of the Thematic Engagement. These are proactive three year projects that enable investors to positively contribute to tackling specific issues spanning across the ESG spectrum.

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00:02:14.580 --> 00:02:26.880

ewelina.lukasik-morawska@morningstar.com: This takes me to the topic of today's discussion, respect for human rights is strongly associated with value chain resilience and the stable business operating environment.

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00:02:27.330 --> 00:02:40.590

ewelina.lukasik-morawska@morningstar.com: Both companies and investors are under increasing pressure to manage the issue of human rights, particularly in light of reputational and material risks and new legislations.

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00:02:41.550 --> 00:02:50.310

ewelina.lukasik-morawska@morningstar.com: To reflect this our engagement takes us an integrated view of financial and human rights risks.

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00:02:51.270 --> 00:03:00.270

ewelina.lukasik-morawska@morningstar.com: We at Sustainalytics see this as an issue where companies should improve awareness and practices connected to impacts.

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00:03:00.900 --> 00:03:11.580

ewelina.lukasik-morawska@morningstar.com: and so, our engagement focuses on ensuring that higher risk portfolio companies adopt robust strategies on human rights.

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00:03:12.480 --> 00:03:22.920

ewelina.lukasik-morawska@morningstar.com: but the issue goes way beyond individual companies, and so we also find it important to promote collaboration with like-minded investors groups and experts

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00:03:23.400 --> 00:03:33.630

ewelina.lukasik-morawska@morningstar.com: to ensure broader private sector collaboration on human rights. Today's conversation will focus on opportunities and challenges

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00:03:33.990 --> 00:03:47.040

ewelina.lukasik-morawska@morningstar.com: that investors and companies may face when implementing the social aspects of ESG as well as drivers and priorities that still need to be addressed to further human rights considerations.

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00:03:48.420 --> 00:04:01.080

ewelina.lukasik-morawska@morningstar.com: but let me now turn to our panel, it is my pleasure to introduce our two very knowledgeable and brilliant panelists representing different perspectives on the topic of human rights.

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ewelina.lukasik-morawska@morningstar.com: Firstly, we have Lene Wendland Lene is Chief of the Business and Human Rights Unit in UN Human Rights, OHCHR could you please kick us off by telling us a little about yourself.

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00:04:16.770 --> 00:04:22.800

Lene Wendland: Yes, thank you, and thanks for the invitation to join today's webinar it's a great pleasure

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Lene Wendland: to have this conversation so as you mentioned, I head our work in the UN Human Rights Office on business and human rights that's focused mostly on

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Lene Wendland: more broadly promoting implementation of the UN Guiding Principles on Business and Human Rights which, as many of the participants will know, is the.

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00:04:42.180 --> 00:04:49.290

Lene Wendland: authoritative global framework for what are the responsibilities of companies when it comes to human rights.

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00:04:49.740 --> 00:04:56.430

Lene Wendland: and we do this through a number of different strategies, both at the global level, where we working on global policy

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Lene Wendland: development and working with partners, including also in the OECD so not just UN partners, the OECD the European Union and other key organizations that are relevant for how setting frameworks and standards for how businesses operate, and we also work closely with the UN Global Compact.

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Lene Wendland: That many participants will probably also be very familiar with. We work at the country level

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Lene Wendland: trying to work with local partners in business and civil society and in government

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00:05:28.140 --> 00:05:35.250

Lene Wendland: to build capacity to address some of the specific challenges that play out in local contexts, when it comes to

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Lene Wendland: business in human rights, and we have a particular project focused on the technology sector, where we also have a strong emphasis on the role of investors in the text, so that's broadly the remit.

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00:05:50.730 --> 00:05:51.030

Lene Wendland:

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00:05:51.990 --> 00:06:06.720

ewelina.lukasik-morawska@morningstar.com: Thank you Lena and welcome and welcome also to our second panelist Carsten Stendevad, Co-Chief Investment Officer for Sustainability at Bridgewater Associates, Carsten could you also please introduce yourself?

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00:06:07.710 --> 00:06:14.250

Carsten Stendevad: Absolutely, it's a pleasure to be here today and great to be here with you also Lene you're a leader in the field and it's great to

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00:06:14.970 --> 00:06:24.330

Carsten Stendevad: be on this panel together with you, so I'm the Co-Chief Investment Officer for Sustainability at Bridgewater and my journey in sustainable investing started more than 10 years ago

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Carsten Stendevad: when I was the CEO of a national pension plan ATP in Denmark and just operating in Scandinavia, I think there's

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00:06:34.080 --> 00:06:46.080

Carsten Stendevad: long been a focus on really how to think about ESG in sustainability in your investment practices and so i've been on this journey, for a long time, which mostly means I have encountered, most of the problems and made most of the mistakes

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00:06:47.790 --> 00:06:59.100

Carsten Stendevad: along the way i'm now at Bridgewater, Bridgewater is a really a macro investor meaning, we really try to understand how the world economy works and try to make investments

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Carsten Stendevad: aligned with that the issue of sustainability is very important for Bridgewater really into in two directions.

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Carsten Stendevad: Number one as you're trying to understand how global economies work there are obviously issues relating both to the environment and social issues

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Carsten Stendevad: that are pertinent for how economies and markets work and so we're very focused on sustainability issues, to that extent, and then, secondly, what we're seeing

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Carsten Stendevad: around the world, is increasingly a number of asset owners increasingly talking about how as they think about sustainability, they don't just want to think about risk and return

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Carsten Stendevad: but actually that there is an explicit impact dimension are really wanting to think about not just what's the risk of let's say social factors on my portfolio, but more hey what's the risk of my portfolio on social factors, and I think this

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00:07:54.180 --> 00:07:56.310

Carsten Stendevad: really a new dimension in how to think about

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Carsten Stendevad: portfolio construction and investing and it's something that at Bridgewater we're really leaning into.

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Carsten Stendevad: Our view is, if you really want to have your portfolio that's not just optimizing from risk and return, but what you explicitly want to have

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Carsten Stendevad: an impact objective, you really have to rethink your investment processes and your research processes so that you can actually build great portfolios that deliver on both.

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Carsten Stendevad: I give that context, because I think it's very important in the context of today, because of course for a number of human rights issues

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Carsten Stendevad: I don't think the argument anyone is making is 'please focus on this, because it will boost your returns' I think this is very much an example of a topic that the world community, including investors should be focused on because

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Carsten Stendevad: it's important for the world, it really does impact, and so I would really welcome the expertise that you bring to the table and I'm excited to be in this conversation.

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00:08:59.040 --> 00:09:03.900

ewelina.lukasik-morawska@morningstar.com: Thank you Carsten and thank you very much for presenting the rationale behind

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00:09:04.320 --> 00:09:12.180

ewelina.lukasik-morawska@morningstar.com: and why actually Bridgewater is incorporating social aspects into decision making process. That's really interesting and

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00:09:12.570 --> 00:09:27.390

ewelina.lukasik-morawska@morningstar.com: I'm really looking forward to hearing more and to hear your thoughts on the other aspects of ESG that we will discuss today, so let us dive right in.

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00:09:29.430 --> 00:09:37.950

ewelina.lukasik-morawska@morningstar.com: The private sector as Carsten already mentioned positively and negatively impacts the rights of millions of people across the globe

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00:09:38.760 --> 00:09:53.220

ewelina.lukasik-morawska@morningstar.com: and to not adequately manage this impact constitutes material risks both for companies and investors so those are conflicts, discrimination difficulties to access decent work.

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00:09:53.760 --> 00:10:06.180

ewelina.lukasik-morawska@morningstar.com: This is part of everyday life of millions of people and, in many cases there are clear links with the private sectors and initiatives such as the UNGPs

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00:10:06.570 --> 00:10:13.680

ewelina.lukasik-morawska@morningstar.com: have helped and make companies more aware of the connections. Lene, I would like to turn to you now.

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00:10:14.190 --> 00:10:25.380

ewelina.lukasik-morawska@morningstar.com: Given your expertise and extensive experience, could you share your view on where, progress has taken place in the UNGPs implementation over the last 10 years

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00:10:25.830 --> 00:10:37.170

ewelina.lukasik-morawska@morningstar.com: and if you could share what are the promising developments that you have observed over the years and practices that both business and investors can build on.

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00:10:39.390 --> 00:10:51.360

Lene Wendland: Thank you it's very timely because we've just had a stock taking report produced by one of our sort of sister UN bodies the UN working group on business and human rights.

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00:10:52.020 --> 00:11:07.890

Lene Wendland: Who have, and on the occasion of the 10th anniversary of the UN Human Rights Council endorsement of the UNGPs in 2011. The working group conducted a consultative process to take stock, on what progress has been made.

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00:11:09.210 --> 00:11:17.970

Lene Wendland: It's very timely and actually being able to speak with some basis for where the progress has been made in the report that was produced.

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Lene Wendland: and presented in June to the to the Human Rights Council. There was also a report specifically focused on uptake in investors, so that I think particularly relevant resource, also for the context of today.

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00:11:32.880 --> 00:11:33.420

Lene Wendland:

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Lene Wendland: In the report in the store taking reported recognizes that quite significant

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Lene Wendland: progress has been made, and when it comes to having a UN Standards having 10 years to disseminate and implement is really not very long.



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Lene Wendland: Actually, for this type of instrument and it's noted that a number of companies, many more companies now have human rights policies

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Lene Wendland: A number of companies are doing some form of human rights due diligence, which is embedded in the responsibility that is sent out every year in guiding principles. There is action also on behalf of

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ewelina.lukasik-morawska@morningstar.com:

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00:12:15.420 --> 00:12:19.710

Lene Wendland: a number of government's national action plans on business and human rights have been

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00:12:20.520 --> 00:12:31.230

Lene Wendland: passed in most European countries, but also, increasingly in Asia and Africa and Latin America setting out an international framework for how to respond to

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00:12:32.160 --> 00:12:48.270

Lene Wendland: human rights challenges that are linked to how businesses operate. We see also in particularly in the European context, a trend towards mandatory measures so an effort to level the playing field and bridge the gap between the leaders and nuggets.

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00:12:49.560 --> 00:13:02.820

Lene Wendland: Governments and the European Commission are working on proposals to require companies to assess what their impacts are on human rights and report on how to take measures to mitigate

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00:13:03.780 --> 00:13:21.240

Lene Wendland: and address any of those risks. Not everyone likes all of that what I've just said, but, but at least it's the progress that is anchored in the vision of the UN Guiding Principles that both set standards for how companies.

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00:13:22.800 --> 00:13:39.390

Lene Wendland: manage their human rights risks, but also very clearly keeps the sort of regulatory and policy frameworks as creating an enabling environment for companies to engage in their responsibilities as a key component, but of course

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00:13:40.680 --> 00:13:49.350

Lene Wendland: not everything is super rosie and the glasses can also very much be half empty and it's clear that huge

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00:13:50.220 --> 00:13:55.380

Lene Wendland: uptake is still needed, dissemination and in all parts of the world.

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Lene Wendland: There are still many more companies that don't have human rights policies and aren't embedding respect for human rights in how they do business, so also there is a big challenge and on all of us, from wherever we're sitting and specifically

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00:14:13.560 --> 00:14:15.480

Lene Wendland: when it comes to investors and the

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00:14:16.650 --> 00:14:29.790

Lene Wendland: report that was produced, it's recognized that an increasing number of investors are thinking about these things but also recognizing that very few investors do have a human rights focus

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Lene Wendland: human rights policies and embedding systematically human rights considerations into their risk management process into the investment decisions and that there is still a lot of work still to be done so

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00:14:43.680 --> 00:14:56.160

Lene Wendland: So glass half full glass half empty positive but still a way to go, and we really do appreciate these kind of debates with practitioners because it's through that that progress will happen.

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00:14:57.450 --> 00:15:13.260

ewelina.lukasik-morawska@morningstar.com: Thank you enough for sharing that really insightful overview and following on from what you've just

said, I would like to turn on to Carsten as we already mentioned, there have been

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00:15:13.740 --> 00:15:22.950

ewelina.lukasik-morawska@morningstar.com: lots of interesting developments around human rights on the investors front, still it is not enough and we would like to see more progress.

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00:15:23.670 --> 00:15:30.030

ewelina.lukasik-morawska@morningstar.com: Carsten, what do you think about the rise of social aspects on the investor agenda and

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00:15:30.480 --> 00:15:47.340

ewelina.lukasik-morawska@morningstar.com: I know that's in the introduction you already mentioned it, but I would be happy to listen more, and if you could talk about how Bridgewater is incorporating ESG objectives, especially the social factor into active ownership.

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00:15:48.780 --> 00:15:49.260

Carsten Stendevid: Absolutely.

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00:15:50.880 --> 00:15:51.300

Carsten Stendevid: So,

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00:15:54.180 --> 00:16:02.880

Carsten Stendevid: To start with, I think, as I said in the beginning, I think the biggest revolution that we're seeing in the institutional landscape is really how explicit

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00:16:03.540 --> 00:16:07.860

Carsten Stendevid: investors are at the objective level in terms of how they think about ESG factors.

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Carsten Stendevid: Are you doing this, just because you're trying to manage some risk or returns, or do you actually have a this third dimension of impact.

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00:16:15.240 --> 00:16:26.010

Carsten Stendevid: The reason why I keep I come back to that is that if you put something in an objective that's extremely important and that's

binding and it has really flow through effects in your whole investment process.

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00:16:27.450 --> 00:16:38.010

Carsten Stendevad: and so I think it's a welcome thing that we see increasingly investors do that, it is true that most of the investors who have these types of non financial objectives I think they've made objectives

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00:16:38.430 --> 00:16:49.770

Carsten Stendevad: in the area of climate and less so, I think it's just being blind let's go with human rights, not that they don't care about human rights, but they haven't elevated it to the level of this is my primary concern.

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00:16:51.240 --> 00:16:59.190

Carsten Stendevad: Of course, we all know that as soon as you pick one important non-financial theme, such as climate change of course you can't look at that in isolation.

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00:16:59.550 --> 00:17:05.040

Carsten Stendevad: Almost de facto you have to start thinking about social issues, how can you think about

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00:17:05.850 --> 00:17:14.160

Carsten Stendevad: climate change and carbon transition and not think about social rights, we know that from that from the mining, we know that from solar panel production, we know that from a whole lot of different areas so

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00:17:14.520 --> 00:17:25.230

Carsten Stendevad: even if you only care about social factors, the fact that institutional investors increasingly are making impact objectives with respect environment is actually also good it's at least a step in the right direction.

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Carsten Stendevad: But that's the way step one, I think.

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Carsten Stendevad: Now imagine you're an investor and now you've made commitments on some ESG objective, it's actually very daunting to do it well,

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Carsten Stendevad: because no one is interested in doing kind of check the box type exercises and just publish some sustainability reports that really don't matter for the investment process if you really want to do it, you really have to integrate it throughout your entire investment

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00:17:55.080 --> 00:18:01.500

Carsten Stendevad: chain. What that means is, in your data, type of data, you start to procure, the type of data, you

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00:18:02.520 --> 00:18:12.720

Carsten Stendevad: get in order to be able to understand these types of risks that will you clean up the data, the way you build investment logic, investment signals.

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00:18:13.650 --> 00:18:28.470

Carsten Stendevad: The way you build your portfolio all those things if you really care about ESG issues, you have to make sure that it's integrated at all levels and everyone talks about ESG integration as if it's easy, at least in my experience it's very difficult to do it very well.

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00:18:29.580 --> 00:18:40.020

Carsten Stendevad: The reason why I think it's important to be very systematic about it is because it's not as if we only have one ESG issue we talk about there are hundreds of ESG issues that we talk about.

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00:18:40.560 --> 00:18:48.600

Carsten Stendevad: And so it's almost impossible for an investor to do this well, human rights today, human rights today, biodiversity tomorrow

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00:18:49.710 --> 00:18:55.860

Carsten Stendevad: a third issue, the next day, unless you approach it systematically it becomes very difficult.

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00:18:57.390 --> 00:19:07.320

Carsten Stendevad: Now the beauty of approaching it systematically is once you've really built up your framework and made sure that ESG thinking and data is embedded throughout your investment process,

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00:19:08.370 --> 00:19:19.380

Carsten Stendevad: it's in a way, easier to add one more factor, because you're like in a way that the machine is built. That way of thinking systematically about integrating ESG is very much the approach that we've tried to take here at

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00:19:20.040 --> 00:19:26.820

Carsten Stendevad: Bridgewater. I think what it also means, and this, I think, is an important point in terms of also the constraints, is that.

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00:19:27.390 --> 00:19:36.960

Carsten Stendevad: There is no book, you can just buy which as all the answers. Everyone always talks about data not being good, that's true, and we can get back to that as a challenge,

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00:19:38.220 --> 00:19:47.400

Carsten Stendevad: but let's not exaggerate that challenge that's true and investing in general it's not as if in investing in general, you can't just pick up a book and get the answer, investors have to do their homework, they have to do their research.

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00:19:47.790 --> 00:19:53.400

Carsten Stendevad: That's true in this case also and doing homework in investing often means operating,

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00:19:53.910 --> 00:20:06.150

Carsten Stendevad: in a world of ambiguity, where you don't have perfect data if you're thinking about, to take a different example, assessing inflation in China it's not as if it's crystal clear how to do it, you have to,

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00:20:06.660 --> 00:20:16.080

Carsten Stendevad: triangulate from different data sets, come up with your logic, for how to make that assessment, I think that analogy is very important because

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00:20:17.070 --> 00:20:26.550

Carsten Stendevad: I think the same thing, it's true when you start to really integrate, for example, social issues it's really, how do you as an investor come up with your own authentic way of analyzing it.

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00:20:27.570 --> 00:20:40.380

Carsten Stendevad: And if, and if you do that, it requires a real investment of time and research, but the beauty is once you've done that it becomes easier to build portfolios, so that notion of being very clear on the goal.

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00:20:41.280 --> 00:20:51.090

Carsten Stendevad: Create like a very rigorous investment process that enables you to systematically understand these issues and then, when you actually build a portfolio at the end

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00:20:51.600 --> 00:21:06.570

Carsten Stendevad: you have a portfolio at the end of the day, investors what they do is really simple they buy they own and they sell and the if you do all this work and you talk about all these ESG issues, it would be relevant if it impacted what you buy, what you own or what you sell.

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00:21:07.890 --> 00:21:18.180

Carsten Stendevad: and so clearly, I think, of course, it if you build a portfolio that has impact dimensions, you should be able to look at the portfolio and see did it make a difference in the types of companies, you bought and sold.

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00:21:18.690 --> 00:21:28.140

Carsten Stendevad: And, of course, coming to active engagement and this is another topic of the day, clearly there are a lot of great companies that do very well, but still have challenges in these areas and

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00:21:28.620 --> 00:21:34.140

Carsten Stendevad: modern slavery, for example, is one area, we can get back to that maybe later, but it's one area where I think

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00:21:35.670 --> 00:21:43.860

Carsten Stendevad: even companies that really try to do this, as well as possible have obstacles and where as a private sector, we have to step it up.

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00:21:46.950 --> 00:21:50.820

ewelina.lukasik-morawska@morningstar.com: Thank you Kirsten it's really interesting what you just mentioned that,

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00:21:51.450 --> 00:21:53.640

ewelina.lukasik-morawska@morningstar.com: even if investors.

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00:21:53.700 --> 00:22:13.170

ewelina.lukasik-morawska@morningstar.com: try hard, there are still some obstacles that they have to face, and they have to deal with them so it's good to be aware of them, but it's also great that there is an increasing interest among the investor community to overcome those obstacles and

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00:22:14.190 --> 00:22:25.710

ewelina.lukasik-morawska@morningstar.com: resolutions for them. Thank you for sharing this practical experience. I would like now to, of course, continue the topic and

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00:22:26.340 --> 00:22:40.740

ewelina.lukasik-morawska@morningstar.com: move to another aspect which is risk management and human rights issues are central to a company's social license to operate, so social license refers to

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00:22:41.700 --> 00:22:50.190

ewelina.lukasik-morawska@morningstar.com: society and on-going acceptance of the company's activities and that trust it builds with the communities where it operates.

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00:22:50.790 --> 00:23:09.660

ewelina.lukasik-morawska@morningstar.com: And this, of course, includes the company's own workflows as well as its supply chain and when this trust is broken, companies run the risk of becoming less resilient with calls for strikes, delays, which would eventually impact its growth and productivity.

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00:23:10.680 --> 00:23:21.270

ewelina.lukasik-morawska@morningstar.com: And I believe it's increasingly relevant for both investors and companies to understand how to control operational and supply chain risks.

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00:23:21.870 --> 00:23:35.070



ewelina.lukasik-morawska@morningstar.com: I would like to now turn to Lene and ask you about how investors can support and encourage companies to address human rights risks and impacts.

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00:23:36.900 --> 00:23:48.120

Lene Wendland: If you want, if I can just respond to a few of the things because some of the things were said by Carsten and I totally agree with basically everything

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00:23:48.360 --> 00:23:49.710

Lene Wendland: Carsten said, I think the.

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00:23:50.220 --> 00:23:55.740

Lene Wendland: this issue, I mean setting objectives, we would say you know you're having a clear commitment, this is

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00:23:56.220 --> 00:24:05.640

Lene Wendland: where you want to go, these are the values these are the areas that you prioritize and so, both internally and outside the companies and

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00:24:06.180 --> 00:24:15.570

Lene Wendland: it's clear what it is you're about and I think that's why in the Guiding Principles this thing of a policy commitment the human rights policy in your

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00:24:16.170 --> 00:24:24.240

Lene Wendland: commitment in one form or another is so crucial, I mean I was just last night with a group of where we had an event, with a group of venture capitalists and

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00:24:24.750 --> 00:24:31.230

Lene Wendland: capital investors in Silicon Valley and investing in tech and getting the sense that

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00:24:31.770 --> 00:24:39.090

Lene Wendland: they're sitting as ESG managers of a small portfolio and they just don't have the time or the space or the

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00:24:39.390 --> 00:24:45.480

Lene Wendland: policy commitment from their respective firms to raise these issues in any meaningful way.

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00:24:45.870 --> 00:24:52.860

Lene Wendland: Despite the best efforts, so I think this really having clearly communicated policy objectives is just so crucial.

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00:24:53.340 --> 00:25:02.160

Lene Wendland: Also the point about the interlinkages between the different ESG issues and that's the thing we also see a lot in our engagement with

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00:25:02.670 --> 00:25:12.420

Lene Wendland: both investors and other companies that you can't have a siloed approach to these things and, if you take action in one, it does have impact and we've seen

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00:25:13.560 --> 00:25:24.480

Lene Wendland: you mentioned the solar panel production, I mean I don't think we need to be specific about where the social risks are in the current global supply chain for solar panels, but it's so clear that

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00:25:24.870 --> 00:25:34.800

Lene Wendland: it's interlinked between having objectives of getting more solar panel production to reduce the carbon footprint, but if there are

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00:25:35.130 --> 00:25:41.250

Lene Wendland: very significant social issues, deep in the supply chain, it does impact the space where the

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00:25:42.240 --> 00:25:51.360

Lene Wendland: investment takes place, so I think it's a really important point. The thing about the hundreds ESG issues is also important and that's where we would think that

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00:25:51.690 --> 00:26:02.160

Lene Wendland: with a human rights lens, with human rights it's not just a few issues it's not hundreds of issues it's quite a specific list of issues and it

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00:26:02.940 --> 00:26:14.820

Lene Wendland: provides a way to frame and prioritize and helps in a way to guide what other direction that one can look at and then also looking at the changes

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00:26:15.390 --> 00:26:32.040

Lene Wendland: into relationship, for example, between governance issues and social issues and just explore them through that lens of having quite a global set of agreed standards, frameworks, issues that can be helpful in terms of the practicalities and.

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00:26:33.870 --> 00:26:43.980

Lene Wendland: And now I actually lost track of the question that I was going to answer so, social license and trust with communities and what are the ways that we can support.

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00:26:44.580 --> 00:26:50.460

ewelina.lukasik-morawska@morningstar.com: Yes, it'd be good to have your perspective, if you could share your view on how investors

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00:26:50.940 --> 00:26:55.140

ewelina.lukasik-morawska@morningstar.com: could support and encourage companies to address the social issues.

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00:26:55.230 --> 00:26:57.900

Lene Wendland: Yeah, I think,

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00:26:58.320 --> 00:27:02.070

Lene Wendland: I mean engagement is the act of ownership, I know that that's not

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00:27:02.160 --> 00:27:10.710

Lene Wendland: always the practical, realistic option and there are a number of ways of investing where that isn't

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00:27:11.640 --> 00:27:21.990

Lene Wendland: something that is particularly feasible again if one has from an investor side some clearly articulated priorities for focus

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00:27:22.500 --> 00:27:25.890

Lene Wendland: on the most severe risks, so one could prioritize

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00:27:26.850 --> 00:27:39.570

Lene Wendland: if there are human rights challenges across the board of issues, which are the ones that are most severe and prioritize those when it comes to that more in depth engagement with them, we investee companies potential investee companies

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00:27:40.050 --> 00:27:47.670

Lene Wendland: and let me be clear, I think, from a human rights perspective and from the perspective of the guiding principles it's not about not

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00:27:48.120 --> 00:27:57.090

Lene Wendland: investing in companies where there are challenges and that's not the standard the standard is to understand the challenges, ensuring that the English tea company

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00:27:57.720 --> 00:28:06.660

Lene Wendland: understands its own challenges, and that it has policies and processes in place to effectively manage these challenges to negate

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00:28:07.050 --> 00:28:15.570

Lene Wendland: to what extent the internal governance structure of the company is set up, that is something that is taken seriously it's something that

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00:28:16.140 --> 00:28:24.420

Lene Wendland: is embedded across the relevant parts of a company, where the human rights issues or challenges are associated to these.

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00:28:24.870 --> 00:28:37.200

Lene Wendland: Do that department, if it's production or development do they know that there's a challenge, do they understand that it's a challenge if you are a tech company doesn't mean that the engineers, or the

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00:28:37.950 --> 00:28:47.280

Lene Wendland: software people become human rights experts, but do they have a basic understanding about what it is that need to be fixed from their perspective.

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00:28:47.700 --> 00:29:01.200

Lene Wendland: And so it's really looking at, not a sort of across the board standard set of talking points or pamphlets but trying to get that more in depth understanding about what is it

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00:29:01.770 --> 00:29:13.620

Lene Wendland: how is it responding, what does it know and how, is it equipped to address the issues and then making the decisions about if it's a company that's struggling.

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00:29:14.430 --> 00:29:29.850

Lene Wendland: unequipped or unsympathetic to becoming equipped. Then again if the commitment is properly embedded, potentially having that as a factor on whether or not to go ahead, but I think it is not about on engaging on every challenge, not about

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00:29:31.080 --> 00:29:38.040

Lene Wendland: just thinking that this is something that is insurmountable but, having a clear framework for how and why one prioritize engagement.

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00:29:38.430 --> 00:29:48.960

Lene Wendland: And then finding out what is the particular challenge, and what are the tools and what is the expertise also that can be bought into to build on human rights.

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00:29:49.980 --> 00:30:03.150

Lene Wendland: Experts or having service providers who actually know what they are, doing an analysts that have a high quality -to sort of bring in whatever it is that can support a particular investment

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00:30:04.380 --> 00:30:24.060

Lene Wendland: target or inform a decision making, so whether or not to go ahead is based on that understanding, not about is there a problem or not, but whether is it a problem that we can deal with or the target is equipped and set up and committed to dealing with it so just

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00:30:25.170 --> 00:30:27.060

Lene Wendland: one kind of approach.

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00:30:28.200 --> 00:30:29.100

Lene Wendland: Thank you Lene.

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00:30:29.880 --> 00:30:39.090

ewelina.lukasik-morawska@morningstar.com: Yes, I do agree that the active ownership is one of the tools that can be really helpful, both for companies and investors and just to

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00:30:39.930 --> 00:30:45.270

ewelina.lukasik-morawska@morningstar.com: summarize what we've already discussed, I also fully agree with Carsten that

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00:30:46.020 --> 00:31:03.720

ewelina.lukasik-morawska@morningstar.com: it's really both important and difficult from the investor perspective to establish and demonstrate in reality a connection to human rights, risks and it's quite challenging but crucial I think for the whole process, and now I would like us to

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00:31:05.010 --> 00:31:11.220

ewelina.lukasik-morawska@morningstar.com: move on to another aspect which is company preparedness and

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00:31:13.440 --> 00:31:23.970

ewelina.lukasik-morawska@morningstar.com: direct cooperation with the companies that is needed on the topic, and just to briefly present some of the research data that

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00:31:25.050 --> 00:31:31.920

ewelina.lukasik-morawska@morningstar.com: Sustainalytics collected, so according to Sustainalytics research on companies preparedness to manage human rights

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00:31:32.340 --> 00:31:49.170

ewelina.lukasik-morawska@morningstar.com: risks and adverse impacts almost 20% of companies involved in adverse human rights incidents did not even have a human rights policy commitment in place, and that almost 60% of the companies have very limited human rights due diligence practices

fraud

186

00:31:50.400 --> 00:31:52.230

ewelina.lukasik-morawska@morningstar.com: and Carston now over to you.

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00:31:53.460 --> 00:32:01.860

ewelina.lukasik-morawska@morningstar.com: It can be challenging for investors to differentiate between companies with a robust system in place and those that are paying lip service at best.

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00:32:02.400 --> 00:32:21.720

ewelina.lukasik-morawska@morningstar.com: You've already briefly mentioned, but how does in practice Bridgewater assess and engage with individual companies and what would you consider as a top priority for investing companies to focus on when it comes to human rights considerations?

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00:32:23.370 --> 00:32:34.920

Carsten Stendevad: Well, so for us, the first step, really is our own understanding of the issue and trying to really have our own independent in systematic view of

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00:32:36.720 --> 00:32:46.170

Carsten Stendevad: the issue at hand so if its human rights issues before we even talked to anyone, we want to try to see can we build our own picture of what

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00:32:46.740 --> 00:32:55.710

Carsten Stendevad: the issue is and so before that, so the first challenge, there, is that even possible? Can we even

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00:32:56.340 --> 00:33:13.110

Carsten Stendevad: sit as an investor we're not the company we're not the ones operating the mines or the factories, what type of picture, can we form ourselves and so that's why I go back to this starting point of the systematic sustainability assessment is so important.

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00:33:15.270 --> 00:33:18.810

Carsten Stendevad: That is important both so you have a picture of what a potential risk is

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00:33:19.110 --> 00:33:27.870

Carsten Stendevad: or an issue is, but also so you can kind of prioritize so that you don't have I don't know 300 different indicators per company across different topics

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00:33:28.320 --> 00:33:34.890

Carsten Stendevad: and, not all of them are critical they're all important but for different companies different things are more important

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00:33:35.250 --> 00:33:44.340

Carsten Stendevad: so you need to have a sense of A do I understand the issue and can I prioritize the issue so that, for this particular company this particular issue is most important

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00:33:45.360 --> 00:33:45.660

Carsten Stendevad: and then

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00:33:46.890 --> 00:34:00.630

Carsten Stendevad: I think one of the key things and next step, then, is to say okay well, what can I, what can I do other things I don't even want to be exposed to that's, of course, one question, but then I think often actually so many of these issues here, you see it in

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00:34:01.890 --> 00:34:05.700

Carsten Stendevad: companies where it's directly in the companies or in their supply chains and it's.

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00:34:06.660 --> 00:34:12.930

Carsten Stendevad: We think it could be companies that are important to invest in let's say to be metals and mining companies that

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00:34:13.440 --> 00:34:24.360

Carsten Stendevad: If you take them an example, you cannot have a world without metals so it's almost like an illusion to say I don't want to be exposed to metals, because then you can walk on this earth.

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00:34:25.980 --> 00:34:33.390

Carsten Stendevad: And, and yet we know it's an extractive industry it's an industry that has many challenges so Okay, can we start by understanding

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00:34:34.110 --> 00:34:46.350

Carsten Stendevad: what's the real exposure to, for example, human rights or risk can we see who are the players who are the best in terms of addressing that and then at that point, I think that's where engagement becomes a very important topic.



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00:34:47.790 --> 00:35:00.210

Carsten Stendevad: I think the, but I just think it's always beneficial if an investor has tried to do their homework and can be precise when having these conversations, as opposed to having more like generic

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00:35:01.680 --> 00:35:10.200

Carsten Stendevad: conversations with them with investee companies. In my past I you know, the issue of active engagement, I think, is critical.

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00:35:11.040 --> 00:35:23.250

Carsten Stendevad: I helped write the stewardship code in Denmark, which really I think are the guidelines for how to think about active engagement and one of the lessons I had at least for myself doing that was.

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00:35:24.240 --> 00:35:30.780

Carsten Stendevad: Investors, there is not one way of doing it and investors of all very, very different and you want to have.

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00:35:31.470 --> 00:35:40.410

Carsten Stendevad: I think the issue of active engagement is one that for each investor, they have to figure out what is something that is authentic to them and their way of investing in their portfolio.

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00:35:41.160 --> 00:35:49.380

Carsten Stendevad: Of course is integrated to how they work and but, but also in a way, makes sense, so it's not like a thing on the side that is completely unrelated

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00:35:49.830 --> 00:35:58.620

Carsten Stendevad: and unlinked to the investment process, so I think each investor has to figure it out for themselves at Bridgewater we have this very research oriented approach, a very systematic approach.

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00:35:58.980 --> 00:36:03.780

Carsten Stendevad: So that's that, in a way, is the engine behind how we think about active engagement.

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00:36:04.260 --> 00:36:14.820

Carsten Stendevad: And I think it lends itself very well also to Thematic Engagements because many of these issues are not just one company doing something wrong, it really is often systematic issues in an industry.

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00:36:15.990 --> 00:36:25.290

Carsten Stendevad: I think this is why, as a collaborative engagements are so important one, because one investor there's only so much you can do with active engagement, if you band together, you can do more.

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00:36:25.710 --> 00:36:35.820

Carsten Stendevad: Also because this, truly often you need a collaborative approach between the companies between the investment companies and, very importantly, between

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00:36:36.750 --> 00:36:46.230

Carsten Stendevad: the data providers, academia NGOs. In terms of both raising awareness of the issue and also capturing what the issue is. Do we really understand it, and so.

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00:36:46.890 --> 00:36:59.670

Carsten Stendevad: That's why I think Active Engagement in the broader sense of the word, not just investment companies investor to management companies but actually to the broader the broader stakeholder is particularly relevant when it comes to human rights.

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00:37:01.740 --> 00:37:08.190

ewelina.lukasik-morawska@morningstar.com: Thank you Carsten, I fully agree with what you just said. Collaboration is key

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00:37:09.150 --> 00:37:28.350

ewelina.lukasik-morawska@morningstar.com: when we want to address systemic issues and speaking about systemic and structural challenges. Lene how do you think what still needs to be addressed to assist companies in furthering sustainable development based on the respect for human rights?

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00:37:31.980 --> 00:37:32.550

Lene Wendland: I think we,

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00:37:33.570 --> 00:37:49.440

Lene Wendland: The sort of systemic and structural challenges to be addressed to realize sustainable development, I think it goes without saying, I think that it's an all hands on deck approach. I think it is something really that as Carsten was saying. The kind of issues that

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00:37:49.470 --> 00:37:58.770

Lene Wendland: you can only get so far on the individual company any individual company is not on its own, going to be able to live, the challenge. It is through the

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00:37:59.250 --> 00:38:16.290

Lene Wendland: collaborative it is through an interface between the industry collaboration, the policymakers, the setting the white frameworks to incentivize the just transition that we're all very focused on.

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00:38:17.670 --> 00:38:19.920

Lene Wendland: So, it really is having that.

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00:38:20.940 --> 00:38:23.910

Lene Wendland: I mean, as much as the individuals and companies engagement.

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00:38:25.170 --> 00:38:35.850

Lene Wendland: Is it is important and necessary, and all very well but, but it really needs to look at this as rising to a level where, if you need to have.

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00:38:36.930 --> 00:38:44.070

Lene Wendland: changes at scale and that can only happen through through those kind of collaborative and wider approaches.

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00:38:45.660 --> 00:39:00.030

Lene Wendland: From our perspective, so the interrelationship between the sustainable development goals and business and human rights we see that interface is that it's only through

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00:39:01.410 --> 00:39:16.170

Lene Wendland: embedding respect for human rights across global value chains and that can achieve that can be the greatest and most systemic at scale change and contribution to sustainable development. That means that

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00:39:16.890 --> 00:39:27.150

Lene Wendland: I mean it's very welcome that many companies have embraced the sustainable development goals and have particular priorities around the goals that they think are particularly relevant.

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00:39:27.630 --> 00:39:36.930

Lene Wendland: But it really is that you it's not an a la carte approach you need to be able to identify where there's issues in your

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00:39:37.470 --> 00:39:42.840

Lene Wendland: value chain and some of them will be systemic among, for example, gender discrimination in certain

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00:39:43.590 --> 00:39:51.600

Lene Wendland: sectors in the supply chain is really important, you can do as much as you can individually, but you need to work with

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00:39:52.470 --> 00:40:01.050

Lene Wendland: social partners also with the policymakers to address that, because if you are contributing to, for example, equality,

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00:40:01.740 --> 00:40:09.600

Lene Wendland: gender equality of pay between men and women in your supply chain you therefore make a huge contribution to sustainable development.

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00:40:09.960 --> 00:40:17.670

Lene Wendland: And of course that's just one example there's also impact on children, education, etc, we know the inter-linkages so really.

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00:40:18.270 --> 00:40:23.010

Lene Wendland: Making that approach that it's not only a company on its own, that can make it

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00:40:23.340 --> 00:40:34.470

Lene Wendland: but at the same time just meeting its own responsibilities and ensuring that it takes all reasonable measures to support and promote respect for human rights where in its operations can

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00:40:34.950 --> 00:40:48.750

Lene Wendland: together with everyone else, doing it can make it so yeah anyway sorry rambling a little bit but the point is that it needs systemic change in policy and collaboration framework

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00:40:49.320 --> 00:40:59.340

Lene Wendland: are super important, and this challenge, cannot be addressed through discrete CSR philanthropic approaches it, we need all hands on deck.

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00:41:00.660 --> 00:41:02.550

ewelina.lukasik-morawska@morningstar.com: Thank you Lene, yes Carsten.

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00:41:03.420 --> 00:41:14.520

Carsten Stendevad: You know I thought I might bring one example to the table which really is the modern slavery act in Australia and I like to use that

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00:41:16.470 --> 00:41:21.990

Carsten Stendevad: example because I think it actually shows both the things that investors can do, and also the challenges.

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00:41:23.280 --> 00:41:35.970

Carsten Stendevad: With human rights, so the modern slavery act in Australia is very interesting it's very important and it's very interesting because it is exactly an example of a law that says to private players and to investors.

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00:41:37.380 --> 00:41:45.690

Carsten Stendevad: We don't care about whether they're not saying modern slavery, may be a risk for your returns or for your risk they're saying hey you may be a risk, you may be

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00:41:47.040 --> 00:41:57.960

Carsten Stendevad: exposed to modern slavery, so we need to understand what is your role with modern slavery so first of all it's an example of that type of like the impact dimension for investors.

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00:41:59.130 --> 00:42:08.220

Carsten Stendevad: Secondly, investors, for the first time this year in Australia had to report on okay what really is your exposure to this issue.

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00:42:09.210 --> 00:42:16.290

Carsten Stendevad: So it's in a way, agreed lab example of here's a human rights issue and now you've been told you have to look at it

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00:42:16.650 --> 00:42:25.200

Carsten Stendevad: and you have to look at it in terms of what is, what is your exposure to it and are you in any way contributing to it? Then it's an example of now everyone had to go out and do the homework.

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00:42:26.700 --> 00:42:27.240

Carsten Stendevad: So

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00:42:28.830 --> 00:42:32.070

Carsten Stendevad: It was really not up to investors to say, do I care or not, no, no, no, you have to care.

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00:42:33.150 --> 00:42:44.130

Carsten Stendevad: And I think if I reflect on that and thinking about the conversation, but there are other investors, one of the challenges, one of the good things is that obviously forced attention to the issue, no doubt about that.

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00:42:45.180 --> 00:42:51.990

Carsten Stendevad: But then when you looked at Okay, so a lot of institutional investors spent a lot of time trying to understand that often slightly scrambling because.

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00:42:52.440 --> 00:42:59.070

Carsten Stendevad: To be honest, was not something people have had looked at, for the last 20 years I mean maybe somewhat casually but not in that same systematic way, then when you have to do a,

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00:43:00.150 --> 00:43:01.080

Carsten Stendevad: an illegal filing.

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00:43:02.250 --> 00:43:05.280

Carsten Stendevad: Then I think one of the issues relating back to,

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00:43:06.330 --> 00:43:17.820

Carsten Stendevad: important for collaboration is where; do we even truly understand it? So, all investors can go to more or less the same data vendors, who have more or less the same data that more or less shows the same thing

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00:43:18.420 --> 00:43:30.660

Carsten Stendevad: That, in all cases, for most investors enable them to say, somewhat vague have somewhat vague assessments of well we think probably we don't have too much risk, but we can't really excluded and we don't really understand the full supply chain.

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00:43:31.830 --> 00:43:42.240

Carsten Stendevad: Because actually no one really does today, and so, for me, that really is a very it's a very important example of where at least my reflection was that's a challenge, and now we,

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00:43:42.870 --> 00:43:52.080

Carsten Stendevad: What we have to do is in addition to engage with companies, we really need to engage with data providers and, in fact, maybe we have to have to come up with new data, and so one of the initiatives that,

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00:43:52.920 --> 00:44:00.180

Carsten Stendevad: I'm involved in is really trying to get experts together from academia NGOs data providers to look at the challenge and saying ok:

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00:44:00.540 --> 00:44:08.970

Carsten Stendevad: How can we create better data? Let's not just complain about the data but let's actually get together and see, is there a way of creating beta better data that we could all agree would be

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00:44:09.720 --> 00:44:15.660

Carsten Stendevad: done in a manner so that's it's credible, actually captures the risk, but also is useful.

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00:44:16.170 --> 00:44:32.880

Carsten Stendevad: For an investor and investors invest in securities So what we need is we need something that whatever the issue is, in this case, modern slavery, we can translate it back to this issue, and this security. That they are linked and actually for many of these issues,

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00:44:34.350 --> 00:44:44.610

Carsten Stendevad: I think in the world of ESG, although so much has happened, so much great development has occurred with respect to ESG data there's still too much that's not company specific enough, and if it's not company specific,

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00:44:45.240 --> 00:44:48.300

Carsten Stendevad: it's very difficult to actually, to engage engage on it.

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00:44:48.840 --> 00:44:58.350

Carsten Stendevad: I just use that an example of, I think, where all the players in economic system play the role policymakers played a role in terms of setting the regulation saying this is what you have to do.

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00:44:59.130 --> 00:45:10.410

Carsten Stendevad: Investors, I think, played a role in terms of Okay, we have to do it, we have a certain standard of doing it, and if it's not up to the standards, in a way, then we put pressure on our you know we are on our system, data providers and others.

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00:45:11.580 --> 00:45:17.220

Carsten Stendevad: Eventually, hopefully, what that will lead you, step by step is a

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00:45:18.630 --> 00:45:28.200

Carsten Stendevad: clear objective that better data that enabled us to do the at the analysis and ultimately better conversations, because I also think it's fair to say, when we speak about active engagement.

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00:45:30.180 --> 00:45:35.280

Carsten Stendevad: You know, often investors out there saying talk about the importance of active engagement, it certainly is important,

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00:45:35.790 --> 00:45:43.110

Carsten Stendevad: but at the end of the day it is companies. They run the companies, and so they run the operations, and so we also have to think about it from their perspective.

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00:45:43.650 --> 00:45:51.720

Carsten Stendevad: Actually, mostly from their perspective and what is very frustrating for a company is for investors to call up and have slightly generic

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00:45:53.820 --> 00:45:58.650

Carsten Stendevad: criticisms or check the box list about all kinds of risk.



275

00:45:59.100 --> 00:46:06.720

Carsten Stendevad: That's not a very productive conversation and a much more productive conversation if you're the company, is if it's something someone comes to you and says, I really thought about your company.

276

00:46:07.110 --> 00:46:10.200

Carsten Stendevad: I think you have an issue here, I really want to understand how you deal with it.

277

00:46:10.740 --> 00:46:15.480

Carsten Stendevad: Then, for the company to be able to say yeah, this is actually a real problem it's hard for us here's what we're doing.

278

00:46:15.900 --> 00:46:22.530

Carsten Stendevad: Do you have any suggestions? Basically that's the type of I think constructive conversations you want, we want to lead to and it requires

279

00:46:23.040 --> 00:46:37.350

Carsten Stendevad: All parties to be informed and to be I think constructive. Of course, if somebody does something very, very bad Maybe the time for constructive engagement is - that's a different story, but by large, if you have reasonable actors we're trying to address an issue.

280

00:46:39.420 --> 00:46:50.730

Carsten Stendevad: For me, a central theme and active engagement is really the productive dialogue, how do we get to the productive dialogue where all the stakeholders are at the table, and for me that's

281

00:46:51.870 --> 00:46:59.280

Carsten Stendevad: I must say I'm actually very encouraged by how much I see in this area. 10 years ago if you were to call up companies on this topic.

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00:47:01.140 --> 00:47:16.920

Carsten Stendevad: You would get responsive, but not that good. Just yesterday I was just speaking to two CEOs of major companies in the world, and they were talking about their overall business and the first 15 minutes, first 15 minutes was on ESG and sustainability in a very factual, fact based manner.

283

00:47:17.940 --> 00:47:19.020  
Carsten Stendevad: That's good.

284  
00:47:20.250 --> 00:47:29.520  
Carsten Stendevad: If you have a CEO speaking in detail about something for 15 minutes, maybe some of it is grandstanding and slogans, but you can do that for 15 minutes at a certain point it becomes.

285  
00:47:30.720 --> 00:47:35.730  
Carsten Stendevad: you know you get into the details and I think that's a great evolution that we've seen.

286  
00:47:37.560 --> 00:47:53.250  
ewelina.lukasik-morawska@morningstar.com: Thank you Carsten I'm being mindful of the time I wanted us to move to the Q&A session, but actually I think that we addressed most of the questions that we received through the registration form.

287  
00:47:53.730 --> 00:48:03.570  
ewelina.lukasik-morawska@morningstar.com: So I think we're coming to an end at least unless Lene you would like to add some final thoughts.

288  
00:48:05.820 --> 00:48:16.380  
Lene Wendland: I mean, I could add a lot but I'm conscious of time as well, but I think Carsten picking up on what are the implications for those regulatory developments.

289  
00:48:17.010 --> 00:48:20.880  
Lene Wendland: that, of which the modern slavery act in Australia is one example, there are several.

290  
00:48:21.780 --> 00:48:33.630  
Lene Wendland: In Europe as well, that are focused on specific issues and then, of course, there is the broader human rights due diligence requirements that the Germans have just passed a law, the French have had one for a while.

291  
00:48:34.050 --> 00:48:41.370  
Lene Wendland: It's probably coming in Denmark it's coming in Norway it's certainly coming at the European Commission level in one form or another.

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00:48:41.760 --> 00:48:51.720

Lene Wendland: The sort of drivers, the guiding principles, we talk about a smart mix of measures that they need to be both the sort of impetus for making it suddenly 'Oh',

293

00:48:52.500 --> 00:49:01.230

Lene Wendland: it becomes a sort of legal requirement issue, but of course we also need the positive incentives, but what is, what are the conversations that kind of.

294

00:49:02.430 --> 00:49:04.830

Lene Wendland: regulatory developments

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00:49:06.450 --> 00:49:17.460

Lene Wendland: can trigger but also how do we ensure that it's meaningful because I must say we've seen where the first generation of these rules around modern slavery. For example in the UK. They're just having to file a report.

296

00:49:18.780 --> 00:49:26.040

Lene Wendland: That's maybe, the bar is a little bit low there, because we can do better to say actually you don't just have to file a report, you have to file a

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00:49:26.310 --> 00:49:35.370

Lene Wendland: decent report. That is underpinned by reasonable, we saw a number of the first generation findings that were just totally you know, not worth the paper they're written on.

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00:49:35.790 --> 00:49:51.510

Lene Wendland: Also, what is the regulatory oversight and support that's needed to, to get mandatory due diligence for every company in Europe, plus all the companies that are wanting to access the European market.

299

00:49:52.980 --> 00:50:02.490

Lene Wendland: There's a lot of capacity building and guidance and support that is needed, but it has to be meaningful, because otherwise it becomes just a tick the box exercise that doesn't,

300

00:50:03.870 --> 00:50:09.150

Lene Wendland: but anyway, that's probably the topic for another webinar.

301

00:50:09.810 --> 00:50:15.330

ewelina.lukasik-morawska@morningstar.com: Thank you Lena yes, I do agree, we could talk about it for the next hour, I believe but

302

00:50:16.500 --> 00:50:27.270

ewelina.lukasik-morawska@morningstar.com: this brings us to an end of this really interesting conversation. Lene, Carsten, thank you very much for sharing your experience, your expertise and knowledge.

303

00:50:27.720 --> 00:50:39.300

ewelina.lukasik-morawska@morningstar.com: I think that there is lots of food for thought and if this is of interest, please reach out to us, otherwise, thank you again for participating and thank you for watching.

