Moving the Market: Seeding innovations to address modern slavery across asset classes

Over the past decade there has been a rapid increase in efforts to integrate social factors into investment processes and decision-making across asset classes. According to the Global Sustainable Investment Alliance, roughly one quarter, or $30 trillion, of assets under management (AUM), are screened using Environmental, Social & Governance (ESG) criteria. In 2016 there were 1,100 investment funds using ESG factors, up from 50 in 2000. The major credit rating agencies, as well as large public equity funds have begun to incorporate environmental, social and governance issues into their decision-making. Globally, sales of green bonds exceeded $135 billion in 2018, while the social bond market grew by 41 percent in the same year.

However, despite growing interest in incorporating social factors into investment strategies across asset classes, few datasets, measurement approaches, tools and guidance materials are available that effectively assess and address modern slavery.[1]

"Moving the Market" is a collaborative grant fund that seeks to meet these challenges by supporting innovations to help investors take into account the prevalence of modern slavery across asset classes.[2]

Through this RFP, Humanity United, Freedom Fund, and UBS Optimus Foundation will identify and fund proposals that can strengthen the investor case for addressing modern slavery and/or meaningfully expand modern slavery-focused data, tools, measurement and guidance that can be deployed across asset classes.

Proposed projects may consider, but are not limited to, the following areas:
- Strengthening the investor case for addressing modern slavery through evidence-based measurement of performance against modern slavery risk;
- Scaling data collection and measurement of company performance related to modern slavery for an investor audience;
- Assessing and providing structured guidance to existing ESG frameworks on strengthening modern slavery metrics;

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[1] We define modern slavery as human trafficking, forced labor, debt bondage, commercial sexual exploitation of children, forced marriage and the worst forms of child labour.

[2] Asset classes considered include equity (public and private), bonds, alternatives (venture, commodities, real estate, and hedge funds)

- Analyzing and providing guidance for investors operating in private equity or alternative asset classes on integrating modern slavery considerations into due diligence, investment decisions, and portfolio management;
- Mapping and exploring opportunities for addressing modern slavery in listing requirements and reporting requirements in stock exchanges;
- Developing investment instruments, such as bonds, or identifying ways to incorporate modern slavery risks into existing instruments.

Budget

Organizations may apply for funding up to $100,000. Funding shall only be used for costs associated with the proposed project.

Timeline

Grants will be used to support activities over a 12-month period.

Organisational criteria

Tax-exempt organizations, including academics, worker organizations, and trade unions with experience and knowledge of labor rights are encouraged to apply. We will consider joint applications — for example: a partnership between an investment association, asset manager, or advisor, and an academic researcher, worker organization or advocacy organization.

Applicant organizations must be able to demonstrate:

- A working understanding of business and investment practices as they relate to modern slavery and/or labor rights;
- A track record in producing high-quality research on labor rights and/or developing ESG tools and frameworks; and
- The capacity to complete deliverables within a 12-month timeframe.

Organizations seeking to submit proposals that are based on taking existing environmental or social tools — such as those related to climate change, gender-based violence, livelihoods, or migration — and extending them to the issue of modern slavery should note this clearly in their applications.

As the aim of the initiative is to develop and pilot new approaches, priority will be given to projects that focus on new concepts or methods for engaging in research that can be completed in 12-months.

Application process

Organizations are required to submit a concept note (maximum 7 pages) outlining the proposed project. Concept notes must include the following:

- **Project description** outlining how the project relates to modern slavery and/or labor rights in investing;
- **Proposed methodology, approach and implementation plan** including project deliverables and outcomes during the 12-month timeframe;
- **Organizational and individual experience** on labor rights and/or ESG investing and capacity to complete work in a timely manner;
- **Budget;** and
- **Long-term plan** for how the proposal could be sustained or scaled, which may include the identification of partner(s) or investors that may be necessary to take this to the next phase

Applicant organizations are also required to fill out a **short application form** providing name and contact details, size of annual budget, number of full-time staff, list of main funders, contact details for one funder reference, and amount of grant requested.

The concept note must be written in English and submitted electronically in Microsoft Word or PDF format according to the instructions below. Both the concept note and application form must be submitted by **2 December 2019.**

Selected organizations will be invited to submit a final proposal. If approved, grant funds would be available for a project start of January 2020.

Proposal timeline and submission instructions

16 October 2019:	Release of RFP.
2 December 2019: Midnight EST	**Concept notes and application forms due.** Please submit all documents to esg@freedomfund.org
6 January 2020	All successful organizations will be notified.
1 February 2020	Grant agreements signed

For any questions on the initiative or the submission process, please contact esg@freedomfund.org