Ethical Investment Guide to Artificial Intelligence and Human Rights

This guide explains how Artificial Intelligence (AI) can affect human rights and how Financial Advisers with expertise in ethical and responsible investing can help investors manage these emerging risks and support positive outcomes.

What are Artificial Intelligence and Human Rights?

Artificial Intelligence (AI) refers to computer systems that recognise patterns, make predictions, generate content or support decisions. It is used across healthcare, finance, education, recruitment, customer service, marketing, security and social media.

Human rights are the fundamental rights and freedoms of every person, including privacy, non-discrimination, freedom of expression, access to information and protection from exploitation and harm.

These rights are recognised in the Universal Declaration of Human Rights and reflected in the UN Guiding Principles on Business and Human Rights.

AI can bring significant benefits to society, but poorly designed or governed systems can harm people and communities. Its use is expanding rapidly across the economy, while regulation and governance frameworks are still developing, creating uncertainty for companies, investors, governments and consumers.

Key concerns include:

- Bias and discrimination in automated decisions
- Privacy breaches, surveillance and misuse of personal data
- Deepfakes, misinformation and political manipulation
- Cybersecurity risks and data breaches
- Harm to children and vulnerable groups
- Lack of transparency and accountability
- Threats to Indigenous Data Sovereignty and cultural rights
- Inequality arising from workforce restructuring and unequal access to AI
- Human rights risks in AI supply chains (critical minerals and labour standards)
- Community impacts associated with AI infrastructure

Why it matters to investors

1. **Reputational Risk:**
   AI misuse can damage customer trust and a company's social licence to operate.
2. **Legal and Regulatory Risk:**
   Governments worldwide are introducing new AI regulations and reporting requirements. Companies that fail to prepare may face fines, litigation and higher compliance costs.
3. **Operational and Financial Risk:**
   Biased or insecure systems can disrupt operations, increase remediation costs, reduce earnings and erode long-term shareholder value.
4. **Social Responsibility:**
   Ethical investors want AI to enhance wellbeing, human rights, democracy, privacy and fairness.
5. **Systemic Risk:**
   AI-related harms can spread across industries and society, affecting many companies and portfolios at once; diversification alone cannot avoid them.

What Financial Advisers look for from Fund Managers

When rating and recommending funds, Financial Advisers with ethical investment expertise favour those that:

- Assess AI-related human rights risks, including privacy, discrimination, surveillance, cybersecurity and Indigenous Data Sovereignty.
- Evaluate company AI governance, board oversight, safeguards and accountability.
- Support the UN Guiding Principles on Business and Human Rights.
- Engage directly with companies on AI governance and transparency.
- Encourage responsible AI development and deployment.
- Monitor emerging AI regulations and best-practice standards.
- Report publicly on stewardship activities and engagement outcomes.
- Consider Indigenous Data Sovereignty where relevant, including Indigenous governance over data and cultural knowledge.
- Advocate for appropriate safeguards, accountability and human-centred AI.

Expert Perspectives

"A human rights-centred approach is not a barrier to economic success or innovation. It is a foundation for it."

Lorraine Finlay, Human Rights Commissioner, Australian Human Rights Commission

"Investors are seeking more than policy statements; they want evidence that companies understand and manage the societal impacts of AI."

Nicholas Sewe, Sector Specialist – Technology, World Benchmarking Alliance

Case Studies

Two examples of leading practice

Microsoft and Salesforce may be held directly or through funds.

These examples highlight leading practices, not overall ethical endorsements or investment recommendations.

Microsoft

Governance, impact assessment and transparency.

Microsoft uses dedicated responsible-AI governance and impact assessments, and publishes transparency reports and an external human-rights assessment. The World Benchmarking Alliance's investor coalition highlights its public assessment and investor engagement.

Salesforce

Principles translated into product rules.

Salesforce's Trusted AI principles are supported by an Acceptable Use Policy that prohibits specified high-risk uses, including facial recognition, and requires disclosure when users interact with AI. Investors continue to seek stronger disclosure of how these restrictions are monitored and enforced.

Source: World Benchmarking Alliance's Collective Impact Coalition for Ethical AI, Boston Common Asset Management and company disclosures.

Ask your Financial Adviser

Ask your Financial Adviser how your portfolio addresses Artificial Intelligence and Human Rights. For more detail, see the **RIAA Artificial Intelligence and Human Rights Investor Toolkit**. You can find a Financial Adviser with ethical and responsible investment expertise via the following links:

RIAA Certified Financial Adviser — riaa Responsible Investment Association Australasia

Ethical Advisers' Co-op Financial Adviser — Ethical Advisers' Co-op

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