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Human rights due diligence in the financial sector

A compendium of industry case studies and practice.

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The authors would like to acknowledge the contributions of the following interviewees in providing the case studies featured in this publication: Tessa Maksimovic (ING); Ingeborg Berg, Jørund Buen, John Grova (SpareBank 1 Sør-Norge); Anna Maria Fibla Møller (AP Pension); Naomi Tronco, Frederike Rijkse, Lea Zeemans (NN Group); Anna Follér and Per Norberg (AP6); Lindsay Gibson (Permira)

Disclaimer

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1. INTRODUCTION

Financial institutions play a vital role in the transition to a low-carbon and climate-resilient economy where human rights are upheld, and no one is left behind. They hold unique leverage over companies across industries and geographies to enable responsible business conduct. Such leverage is no longer a question for sustainability-inclined banks or investors to consider, but a responsibility for the sector at large.

The UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD Guidelines)—frameworks developed by States through extensive multi-stakeholder engagement—clarify the normative expectation that all businesses, including financial institutions, have a responsibility to avoid and address the negative human rights of their activities and operations on people, including workers, communities, and consumers. This means that financial institutions need to demonstrate that they have a meaningful human rights due diligence (HRDD) process in place to proactively identify, prevent, mitigate, and account for negative human rights impacts in their operations and value chain.

For financial institutions, HRDD entails taking action to build and use leverage with their investees, clients, and other business partners to advance respect for human rights both before and after investment and lending decisions. This applies across a whole range of institutions such as:

- Banks that provide project finance or corporate loans to real economy companies or on-lend to other financial institutions;
- Institutional investors that hold minority shares in publicly listed companies;
- General Partners holding controlling shares of unlisted companies;
- Limited Partners investing in private equity funds; and
- Insurance companies providing underwriting services.

Awareness of the UNGPs and OECD Guidelines and their implications for financial institutions has grown considerably in recent years. A range of tailored guidance, capacity building initiatives, tools, and resources have emerged to help translate broad human rights commitments into meaningful practice (see Annex 2). Initiatives such as the Principles for Responsible Investment, UNEP-FI and the Investor Alliance for Human Rights have enabled collective action and peer learning on a host of human rights matters. Civil society organizations also provide external scrutiny and aim to keep financial institutions accountable for their alignment with UNGPs and OECD Guidelines, as well as real-world human rights impacts.[1]

In the European Union (EU), the adoption of sustainability regulation broadly informed by the UNGPs and OECD Guidelines has led to an increased attention on human rights in finance. For example, the Sustainable Financial Disclosure Regulation, the Corporate Sustainability Reporting Directive, and the Sustainable Finance Taxonomy, require institutions to report on negative human rights impacts associated with financial activities as well as on actions to address such impacts. In Latin America, similar requirements have emerged. In Brazil and Peru, for example, banks are required to conduct social and environmental risk assessments that include human rights risks when providing project financing. Chile has adopted environmental, social, and governance (ESG) disclosure requirements that explicitly reference human rights and the UNGPs. Mexico's Sustainability Taxonomy incorporates social and environmental objectives with minimum safeguards grounded in the UNGPs and OECD Guidelines.[2]

While important progress has been made, the uptake of human rights in the sector remains a work in progress. Despite 35% of the world's 400 largest financial institutions stating that they commit to respecting human rights, only 6% of those 400 same institutions have due diligence processes in place.[3] In 2024, the UN Working Group on Business and Human Rights noted that a key challenge is that financial actors often fail to integrate human rights standards and approaches in their ESG criteria and investment practices.[4]

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1 See for example Fair Finance International | https://www.fairfinanceinternational.org/; BankTrack; Private Equity Stakeholder Project PESP - We identify and engage with stakeholders, communities and families affected by private equity; Financial System Benchmark | World Benchmarking Alliance.
Civil society organisations have played a role in bringing cases to the National Contact Points of the OECD alleging non-compliance by financial institutions with the human rights chapter of the OECD Guidelines, see here National Contact Points for Responsible Business Conduct Database | OECD.

2 UN Working Group on Business and Human Rights, Investors, environmental, social and governance approaches and human rights, A/HRC/56/55 (2 May 2024); Arturo Alfonso Sosa Aris, Taxonomia Sostenible en México (2022).

3 See Benchmark findings point to finance leaders needing to double down on sustainability, not back away | World Benchmarking Alliance (January 2025).

4 UN Working Group on Business and Human Rights, Investors, environmental, social and governance approaches and human rights, A/HRC/56/55 (2 May 2024).

Different sub-sectors are at different stages of maturity in their human rights journey. For example, a 2023 human rights benchmark of the largest Danish financial institutions found that pension funds performed better than banks and insurers in documenting respect for human rights, suggesting a more well-established responsible investment and active ownership practice.[5] Private equity and venture capital have been slower to align with the UNGPs approach.[6] Though this is changing as asset owners (such as pension funds) increasingly set human rights expectations for asset managers.[7]

While several factors contribute to gaps in progress, a key factor is that advancing respect for human rights across financial products and services poses unique challenges. Large banks and institutional investors are connected to a multitude of potential and actual human rights impacts through their clients' and investees' economic activities. Assessing which issues to prioritize across different sectors, value chains, and geographies requires high-quality social data at scale, which is still lacking. Many banks and investors are several degrees removed from the operational contexts where human rights impacts occur, complicating processes of stakeholder engagement and limiting their visibility into impacts. Moreover, the specificities of different financial products and activities can affect the institutions´ ability to assess and act on such impacts.

Against this backdrop, this **publication aims to showcase how select financial institutions have sought to align their policies and practices with international standards such as the UNGPs and OECD Guidelines.** The publication compiles six case studies that zoom in on the human rights policies and processes, governance frameworks, and types of leverage that are being implemented in different institutional environments and utilized for different types of financial products. The case studies represent a 'snapshot in time' of ongoing efforts to operationalize HRDD by select commercial banks, investors and insurers. The case studies are meant to inspire further peer learning and accelerate industry action towards integration of human rights assessment and management in operational decision-making and procedures. Complementing the case studies, the publication also includes a compilation of various recent and historical examples of investors and lenders undertaking activities designed to influence clients and investees towards improved respect for peoples' rights based on publicly available information (see Annex 1).

The scope of the publication is limited to the **downstream value chain of financial institutions**, that is, on their efforts to avoid and address negative human rights impacts associated with financial services. While negative human rights impacts can also arise in respect to a financial institution´s own operations (e.g. impacts on own employees) and supply chain (e.g. procurement of products and services from third parties), it is generally the case that the most severe impacts related to financial institutions exist in their business relationships with corporate clients (or borrowers), and/or investees.

5 Danish Institute for Human Rights, Documenting Respect for Human Rights in the Financial Sector – A 2023 Snapshot of Danish Financial Institutions.

6 UN Working Group on Business and Human Rights, Taking stock of investor implementation of the UNG on Business and Human Rights, A/HRC/47/39/Add.2 (June 2021); Amnesty International, Risky Business: How leading venture capital firms ignore human rights when investing in technology (30 July 2021); Business for Social Responsibility, Social Unrest: Fixing the "S" of ESG in Private Equity (October 2022); David Birchall and Nadia Bernaz, Business Strategy as Human Rights Risk: the Case of Private Equity in Human Rights Review vol. 24 (March 2023).

7 Rachel Fixsen, Human rights abuses often dealbreakers for PE managers, AP6 finds in IPE (27 September 2023).

2. HUMAN RIGHTS EXPECTATIONS FOR THE FINANCIAL SECTOR: A BRIEF OVERVIEW

Financial institutions have a responsibility to respect human rights and take action to identify, avoid and address any negative impacts that they might cause, contribute to, or be directly linked with as result of their business relationships (see box 1). This responsibility is distinct from their clients´ and investees´ human rights performance or ability to document respect for human rights.

To demonstrate respect for human rights, financial institutions should have in place:

i. A public policy commitment to respect internationally recognized human rights backed by adequate governance and management systems;

ii. A HRDD process to assess negative actual and potential impacts, take action thereon, track the effectiveness of measures taken, and communicate externally on what has been done;

iii. An effective grievance mechanism that should, amongst others, enable remediation of negative human rights impacts when appropriate.[8]

Embedding HRDD in a financial institution entails actions both at the **institutional-level** (e.g. the adoption of relevant policies and procedures) and at the **transactional level** throughout the investee/client relationship (e.g. direct engagement and dialogue, contractual conditionality and monitoring efforts).

Box 1

The UNGPs and OECD Guidelines outline three ways that businesses, including financial institutions, can be involved with negative human rights impacts. A financial institution can:

- **cause** negative impacts through its own activities, for example if it discriminates in employment and remuneration practices or collects personal data about retail clients without their consent.

- **contribute to** negative impacts through its own actions or omissions, either directly (e.g. by incentivising or facilitating) or through a third party (e.g. a client or other co-financiers). For example, a bank can contribute to negative impacts if it provides project financing despite the fact that it knew or should have known about serious impacts on people as a result of the project, yet took no steps to ensure that the client prevented and mitigated the risk and resulting impact. That would be the case when a bank approves a project loan to a corporate client without any social/human rights conditionality despite allegations that the client had been previously involved in human rights abuses.

- **be directly linked to a negative impact** when it has performed adequate human rights due diligence and has not caused or contributed to a negative impact, but there is still a direct link between its products/services and the negative impact. For example, a bank may provide a general loan to a company and it then learns that the company sources from a factory with child labor present. Or, an institutional investor can be directly linked to a negative human rights impact if an investee company in which it owns minority shares is found to have forcibly evicted Indigenous People without their free, prior and informed consent.

With respect to their downstream negative impacts, many financial institutions are likely to be found in a situation of 'direct linkage'. However, the categories of ´contribution´ and ´direct linkage´ do not constitute a rigid dichotomy, but exist on a continuum, to be determined based on context-specific, ongoing assessments including of the adequacy of the financial institution´s HRDD.[9] For example, once the bank referred to above in the example with 'direct linkage' is made aware that its client is sourcing from a supplier using child labor, the bank should build and use leverage with the client. Failure to do so can result in the bank sliding into a situation of contribution by omission due to the failures of its due diligence.

Importantly, financial institutions´ HRDD processes, including the grievance mechanism processes, should cover all three forms of involvement with negative human rights impacts.

8 The UNGPs provide general guidance on these procedural expectations. For sector-specific guidance, see the OECD guidance on responsible business conduct in the context of institutional investment (2017), corporate lending and securities underwriting (2019) and project finance (2022).

9 For more information on the framework of involvement, including examples of how financial institutions can contribute to negative human rights impacts, please see OECD Guidance on responsible business conduct in the context of institutional investment (p. 35), on corporate lending and securities underwriting (pp.42-47) and project finance (pp 31-33). See also OHCHR Response to Request from BankTrack for Advice Regarding the Application of the UN Guiding Principles on Business and Human Rights in the Context of the Banking Sector, p. 17, available at InterpretationGuidingPrinciples.pdf

Other features that stand out in a financial sector context include:

- **Risk to people lens.** Negative impacts on people should be identified and prioritized for action, even when such impacts might not be financially material. In other words, HRDD takes an 'impact materiality' perspective and seeks to ensure that all human rights impacts get addressed – even those that do not make news headlines or might not be easy or convenient to address. This differs from typical ESG risk management approaches that focus on risks that are known to translate into reputational damage, litigation risks, or operational delays and therefore pose a financial risk ('financial materiality' lens). Centering ESG risk management on impacts on people as the entry point often requires a mindset shift as well as supportive internal systems and processes, such as incentives that reward prioritisation of risks to people, affected stakeholder engagement strategies, and grievance mechanisms to receive complaints regarding the impact of financing activities. It is important to note that risks to people very often represent risks to the institution (and clients) and attention to risks to people creates resilience.

- **Due diligence is an ongoing process.** HRDD is an iterative risk management process that involves the ongoing identification and management of human rights impacts across all activities and business relationships and throughout the lifecycle of an investment, client, or lending relationship. It therefore differs from transaction-based due diligence practices common amongst financial institutions (e.g., environmental & social or ESG due diligence risk assessments carried out prior to financing and investment decisions).

- **Engagement with affected people and proxy organizations.** Engagement with potentially affected people is a cornerstone of a meaningful HRDD. It is critical both to identifying human rights concerns and designing effective prevention, mitigation and remediation measures. Most financial institutions are removed from the operational contexts where downstream human rights harms occur, presenting practical challenges for direct engagement with affected individuals and communities. Many financial institutions rely on their clients/investees to seek out the views of affected people, with their role primarily limited to expecting such efforts by business relationships or at most assessing the quality of such engagement.

  There are, however, scenarios where financial institutions can consider direct engagement with affected people, such as a bank providing a high-risk project finance loan[10] or a general partner invested in high-risk clients. To identify high-risk scenarios financial institutions can factor in client- and sector-related risk exposure (e.g. a client that is developing a large-scale infrastructure project has a poor track record on human rights; a client caused severe human rights harm), as well as geography-related considerations (e.g. clients in regions with endemic attacks and reprisals against human rights and environmental defenders or clients in conflict-affected countries/regions). Where direct engagement of affected people is not carried out, engagement with proxy organizations such as civil society organizations, trade unions, and/or credible independent experts should be pursued. Such engagement can inform a financial institution's assessment and management of negative impacts at both the transactional and portfolio levels.

While the international HRDD expectations are the same for all financial institutions—acting as the North Star for the financial sector—the diversity of sub-sectors, financial instruments, and asset classes precludes a one-size fits all approach to HRDD. What effective HRDD practically looks like will depend on the leverage tools available to banks, investors, and insurers and will be influenced by the unique challenges and opportunities inherent to their business models and financial products.

Institutional investors, for example, need to consider different forms of influence depending on whether they are investing in publicly listed companies or alternative assets. Investing in sovereign bonds raises distinct challenges insofar as engaging governments on human rights is not as standardized as active ownership in public equities and because of a perceived lack of leverage and political sensitivities.[11] Even within a single asset class, investors need to tailor their HRDD approach depending on the investment strategy, e.g., whether active or passive. Compared to active ownership in public markets, passive investments through index funds require innovative modalities for assessing human rights risks or exercising leverage prior to an investment and can preclude immediate divestment on human rights grounds. Minority or majority shareholding positions is another factor impacting investors' opportunities to use and build leverage.

The need for tailored and nuanced approaches to HRDD is not unique to institutional investors. A bank´s approach to human rights due diligence in a project finance loan where it knows how the proceeds will be used will likely be different from that of a general corporate loan where the lending is not attached to a specific project and the bank might not have enough information about the client´s operations and business relationships. In a project finance scenario, banks are likely to frontload their due diligence efforts and maximize their financial and contractual leverage to ensure that all negative impacts are adequately addressed before the start

10 See on the role of stakeholder engagement in OECD Guidance on Responsible business conduct due diligence for project and asset finance transactions, p. 30.

11 Principles for Responsible Investment, Human rights in sovereign debt: the role of investors. Discussion paper (2022); Business for Social Responsibility, Advancing a People-Centered Approach to Sovereign Debt (4 June 2025).

of the project. In a general corporate loan scenario, a bank might need to concentrate most of its due diligence efforts during the monitoring of the loan to ensure that the funding is not enabling human rights harms not visible at the financing decision stage.

Similarly, insurance companies need differentiated implementation strategies across different insurance products and services with corporate clients in addition to their implementation efforts on the investment side. Among the factors that influence what integrating HRDD in insurance underwriting looks like are: the type or insurance coverage (for example property, construction, worker compensation or general liability, reinsurance); whether the insurance product targets a single project or site or multiple ones; whether it covers a single risk category or multiple categories; whether the insurance company is the lead insurer or just a member of a broad insurance panel; whether the insurance company is engaged directly with a real economy company client or is engaged through a broker, etc.

3. WHAT DOES PROGRESS LOOK LIKE? ATTENTION POINTS FOR MATURING HUMAN RIGHTS DUE DILIGENCE ACROSS THE FINANCIAL SECTOR

This publication's repository of industry practice seeks to advance progress on human rights by supporting peer learning about the opportunities and challenges associated with the implementation of the UNGPs and OECD Guidelines. In that spirit, the publication proposes three attention points to guide financial institutions seeking to mature their approach to HRDD.

Developing robust human rights policy and procedures

Developing the policies, procedures, incentives, resources and capacities for HRDD implementation remains a work in progress at financial institutions. A 2025 study found that while financial institutions increasingly recognize their involvement with human rights impacts, "they often lack systematic structures and incentives to address human rights proactively".[12] Such structures provide the foundation for consistent and consequential action on human impacts. It is also what is needed to move the sector from a reactive or ad hoc approach (e.g., responding to individual human rights-related controversies after the harm has occurred) to a proactive and systematic approach. A proactive approach would see institutions develop management processes aimed at preventing potential negative human rights impacts across their financial services and activities as well as a systematic approach to addressing the negative impacts that do occur. For many financial institutions, this involves developing a layered approach to integrating human rights, whereby some elements sit at the institutional level and others at the transactional level, and ensuring relevant feedback loops and touch points between the two.

For certain institutions, HRDD might require a new internal approach to ESG or sustainability. Historically, ESG teams at financial institutions have focused their attention on their clients´/ investees´ policies and practices, undergirded by the assumption that clients and investees bear exclusive responsibility for human rights harms. The UNGPs and OECD Guidelines break with that tradition by clarifying that financial institutions have a distinct human rights responsibility even when harms may be the result of their clients'/investees' actions and omissions. While the specific actions of each entity may differ, the baseline expectation remains that both actors should be prepared to demonstrate how they are fulfilling their own responsibility.

The case studies in the next section touch upon this point insofar as they all provide insights into internal policies and approaches to managing human rights impacts. Some financial institutions such as Permira developed internal systems to support HRDD; other institutions such as NN Group have taken steps to expand HRDD processes, already under implementation in respect to investment and procurement, to cover the insurance underwriting portfolio; others such as ING and AP6 have been in implementation mode for several years. Read together, they tell a story of ongoing work to refine processes and procedures as the regulatory and operational context changes, new learnings emerge, and more awareness and capacity is being developed internally.

Build the foundation: sound and robust human rights due diligence processes and structures will help you navigate complexity and proactively address your human rights impacts.

Beyond 'action paralysis' and getting prioritization right

Financial institutions, especially very large ones, can be involved with a wide array of potential and actual human rights impacts through their exposure to hundreds of business relationships across different sectors and geographies. For example, one of the largest asset owners in the world, Norges Bank Investment Management, holds equity stakes in 8374 publicly listed companies spanning 11 sectors and 62 countries.[13] Investors with such a level of exposure can be involved with many different types of impacts, for example, impacts on workers such as low wages, discrimination and forced labor; impacts on communities such as forced evictions, resettlements and attacks against human rights defenders; impacts on consumers and end-users such as data protection abuses and inadequate essential services in health and education sectors. The nature of these impacts can be very different – some are systemic to a certain sector or geography; some are cumulative impacts enabled by the actions of many businesses over several years; some might be one-off incidents without any warning signs. The UNGPs and OECD Guidelines recognize that financial institutions with large and complex portfolios won't be able to conduct

12 Geneva Center for Business & Human Rights, How are Financial Institutions in Europe Addressing Human Rights in Their Core Business Activities? (March 2025).

13 Data reported in 2025, see All investments | Norges Bank Investment Management

in-depth due diligence across all activities and business relationships and that prioritization of efforts are needed.[14] However, deciding which impacts to prioritize is far from a straightforward exercise.

The UNGPs and OECD Guidelines clarify that any prioritization should start with focusing on the severity of impacts on people (as opposed to risk to business). Severity is assessed as a matter of scale (e.g. how serious/grave the impact is), scope (e.g. the number of people affected) and irremediability (e.g. the extent to which the impact can be remediated). In the case of potential impacts, the likelihood of impacts to materialize is a related consideration, even though considered to be of lesser importance than severity. [15]

To be able to prioritize using the severity parameters, financial institutions need quality and sufficiently granular data at scale. [16] However, the social/human rights data collected and sold by ESG data providers has been shown to have various methodological inconsistencies and flaws, capture a limited array of social topics, and be skewed towards measuring company processes as opposed to performance.[17] Where ESG data might be able to provide a glimpse into the performance of a company – such as in the case of the so-called controversy, norms breach or human rights incident data – the data more often than not fails to properly contextualize these incidents. For example, no additional information will be provided as to whether the company responded to the incident or whether the company in question had human rights due diligence processes in place, partly or not at all.

The lack of sufficient and meaningful data providing a comprehensive overview of areas of severe impacts can oftentimes translate into a state of 'action paralysis' where too much time is spent *assessing* human rights risks and too little time *acting* on them. To attenuate the complexity of prioritization, some financial institutions have set financial thresholds for their human rights engagement whereby they would prioritize clients of a certain size or where they hold a larger financial stake under the assumption that that is where they would have the most leverage to effect change. That approach, however, might hinder financial institutions from prioritising efforts where they are most needed. Human rights risks do not flow from the size of the insurance, loan or investment, but rather from other sources such as sector, geography, commodity, business model or the like.

Several case studies in the next section speak to this challenge by highlighting how institutions attempt, against the backdrop of imperfect data, to act on human rights impacts in their portfolios. For example, both ING and SpareBank 1 Sør-Norge have developed methodologies to help them prioritize clients for in-depth engagement; the ING case study includes a specific example of what 'taking action' looks like. AP Pension has sought to improve the quality of the ESG data by changing the data provider and relying on an in-house database which offered them greater autonomy in setting thresholds for investee engagement.

In a world of imperfect data, risk assessment and prioritization of efforts will inevitably be imperfect. Don't let perfect be the enemy of good. And keep eyes and resources focused on the end goal – trying to create real changes for the people negatively affected by your financial services.

Not one, but many forms of leverage

Most financial institutions are removed from the day-to-day operational decisions of their clients/investees. Addressing negative impacts in their portfolios is primarily a matter of exercising effective leverage over their clients/investees so that they in turn can prevent, mitigate and remediate negative impacts. Leverage here refers to their ability to effect change in the practices of another party and will generally depend on considerations such as the nature of the financial instrument (e.g. passive or active holdings), the relationship with the client (repeat/new client), the degree of direct control over the entity, the proportion of the total business it represents for the entity, and whether other financial institutions are involved. Leverage is not static, and where it is found to be insufficient to create change, financial institutions should work to increase it.

The case studies in the next section showcase different forms of leverage: financial or commercial leverage where access to a financial service is conditioned by meeting certain requirements (ING); collective leverage in respect to specific industry impact (SpareBank 1 Sør-Norge); expertise

14 See OHCHR Response to Request from BankTrack for Advice Regarding the Application of the UN Guiding Principles on Business and Human Rights in the Context of the Banking Sector (2017), p. 17, InterpretationGuidingPrinciples.pdf

15 See the UN Human Rights Office Interpretative Guide on the Corporate Responsibility to respect Human Rights: "Standard approaches to risk assessment may suggest that the probability of an adverse human rights impact is as important as its severity. However, if a potential human rights impact has low probability but high severity, the former does not offset the latter. The severity of the impact, understood as its "scale, scope and irremediable character", is paramount." (pp. 39-40).

16 In 2024 the Church Commissioners for England, Aviva Investors and Scottish Widows along with other investors launched the Investor Initiative on Human Rights Data to improve availability of quality human rights data at scale, including by engaging with ESG data providers. See, for example, their guidance for assessing breaches of international norms The Investor Initiative on Human Rights Data (II-HRD) publishes guidance for assessing breaches of international norms | The Church of England.

17 See OECD, Behind ESG Ratings: Unpacking Sustainability Metrics (2025).

and capacity development for business partners (AP6, NN Group). Other forms of leverage used by financial institutions include different types of contractual leverage, building awareness[18], policy advocacy[19] and standard setting[20], collective stewardship activities[21], or convening actors to drive ecosystem change.[22] Which leverage is likely to drive most change is highly context specific. However, it is increasingly acknowledged that financial institutions ought to aim for a 'leverage mix' that combines forms of pressure that span business partner and system-level interventions.

What works to address human rights impacts in one context might not work in another. Experiment with multiple forms of leverage at the client, investee, and ecosystem-level.

18 See, for example, the Platform Living Wage Financials, Living wage.

19 See, for example, Investor joint statement on Omnibus Legislation - EUROSIF (February 2025); Investor Statement in Support of Digital Rights Regulations European Union Artificial Intelligence Act | Investor Alliance for Human Rights (February 2023).

20 See, for example, The Mining & Tailings Safety Initiative – Council on Ethics for the Swedish National Pension Funds.

21 See, for example, Corporate Engagement | Investor Alliance for Human Rights.

22 See, for example, About II-HRD - The Investor Initiative on Human Rights Data | PRI.

4. CASE STUDIES

This section curates 6 case studies illustrating the approach to human rights operationalisation across different types of institutions, i.e. two commercial banks, two asset owners, one private equity company, and one insurance company. The selection of institutions has been made with a view to highlighting different operational considerations of integrating human rights in corporate lending, investment, and insurance, respectively. While headquartered in Europe, most of these institutions have a global reach through their financing services.

ING

GETTING HUMAN RIGHTS RISK RIGHT THROUGH ON THE GROUND IN-DEPTH ASSESSMENT

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. It offers retail and wholesale banking services to customers in over 100 countries. With total assets exceeding $1.1 trillion, ING is one of the largest banks in the world. The company operates in over 35 countries and serves millions of customers globally. Since society is transitioning to a low-carbon economy, ING and its clients are also. ING supports a lot of sustainable activities but still finances a lot of activities that are not.[23]

ING has a strong focus on Sustainability, ESG, and Environmental and Social Risk management. The environmental and social risk (ESR) team serves as an integral part of the bank's second line of defense.

For all high-risk transactions where there are actual and potential salient social risks and impacts to take into account (as determined by ING in accordance with a risk-based assessment framework set out in ING's ESR Framework), the ESR team must provide its advice on the transaction. Together with credit risk, and in some cases also compliance, business ethics and legal, the ESR team provides its advice on whether they recommend the transaction to proceed or not, or whether additional fact-finding or conditions may need to be imposed before a credit decision can be made. For any such high-risk transactions, advice from ESR represents an integral part of the credit approval process.

High-risk transactions are determined through various assessments. Part is embedded in 'Know your Customer' procedures focusing on the client's capacity to manage environmental and social risks. For this ING uses a tool that assesses the entity's capacity to manage risk based on factors including the type of economic activities the company performs, its countries of operation (to understand if there is an increased risk based on the country's regulatory framework), reporting maturity, management processes, stakeholder engagement and grievance mechanisms, human rights risks and impacts, and commitment to the UN Guiding Principles. Further in the process, a specific transaction assessment evaluates the purpose of funds and verifies whether there could be a link to certain human rights-related risks. Indicators of particularly salient human rights risk could be issues of resettlement or labour concerns, for example.

ING recently implemented an additional assessment tool that complements the existing assessments. This tool also determines the level of risks related to social factors such as how a company's operations impact communities, customers, and workers.

In some cases, a lack of information can be the determinant factor in issuing negative advice for a particular transaction. There needs to be strong evidence in any advised transaction that an entity is able to manage and mitigate human rights risks if such risks are identified.

In one such example, ING was a part of a loan syndicate exploring a financing request for an underground mine in Mexico. The mine had three local communities nearby, but there was little information in the due diligence report on what actions the entity had taken to identify and address actual and potential impacts on local communal land as a result of mining activities. Furthermore, there was no information available as to how the company interacted and engaged with the community. Even though ING did not serve as the lead E&S (environmental & social) bank on the transaction, the ESR advisor at ING could not agree to greenlight the transaction due to a lack of social information in the report – especially since the company was operating in a high-risk sector (mining) and country (Mexico) from a human rights perspective resulting in a higher potential for significant impact on surrounding communities.

In order to assert whether the transaction could be carried out or not, the ESR advisor at ING made the business case to the front-line team for the need for deeper due diligence, specifically for her to perform a site visit at the mine in Mexico. The lead bank on the deal also agreed to the visit's being carried out in order to ensure that there were no salient risks that could not be mitigated. Following the IFC Performance Standards, she evaluated the project's social credentials through meetings with senior management, studying the independent consultant's ES report, conducting interviews with workers (without more senior company representatives present), and meeting with local community members and regulators.

23 See ING progress at /ing.com/climate

What became apparent through the social audit on the ground was that the company had in fact taken many actions to identify, assess, and address actual and potential social impacts which were not included in the commissioned due diligence report. For example, the local community made clear that the company was accepted and welcome by them, as the mining company was introducing several positive social infrastructure developments, such as building new roads and upgrading existing ones to reduce traffic congestion, as well as providing access to emergency healthcare with a doctor on-site. Furthermore, the communities expected that this project would provide work to locals and create work opportunities for younger community members.

Although the project was not approved directly after the on-site visit, the loan for the greenfield mine was made conditional based on a list of required actions stipulated by ING, which the entity ultimately delivered on. The project was then finally deemed acceptable from a risk and impact mitigation perspective according to ING's internal credit evaluation processes, and the loan was granted.

In other occasions (or situations) where risks and impacts have been identified (such as a high rate of accidents), and there is no indication of corrective actions taken or gradual improvement, ING may ultimately disengage from the client (in accordance with the loan agreement in the event that a loan agreement has already been signed). However, this is considered a last resort and before doing so the bank will, in most cases, agree to a time-bound plan for client engagement and monitoring– if there are no improvements over that time period, the bank will set up an exit strategy for the client.

The ESR lead at ING expresses that it can be difficult to create leverage in projects or assets on the ground where there are multiple entities involved along the supply chain. In such projects, the ESR lead emphasizes the need for involvement and dialogue with all entities along the chain (to the extent legally allowed and practicable), to manage the risks to people on the ground.

"For me, the motivation is the people on the ground – their safety, their livelihoods. We find it important that human rights risks are well-managed and if impacts on people are unavoidable that appropriate measures are taken. If there are impacts, we need to be very mindful of how to manage those and, where needed, work with our clients on what needs to happen to remediate the situation."

SPAREBANK 1 SØR-NORGE

ADVANCING HUMAN RIGHTS IN CORPORATE LENDING

SpareBank 1 Sør-Norge is one of the largest savings banks in Norway and among the largest Norwegian-owned banks. With roots dating back to the 1800s, the bank today has around 2500 employees, serves around 450.000 clients and is active across a wide range of banking activities including lending, investment and insurance. The corporate market is among the bank's main business areas covering 35% of the loan activities. The bank serves approximately 3,500 corporate clients across sectors with corporate real estate, agriculture and shipping among the sectors representing the largest shares of the bank's corporate lending portfolio.

SpareBank 1 Sør-Norge's human rights commitments are captured in the bank's overall sustainability policy and build on the UNGPs and the OECD Guidelines. [24] The adoption of the Norwegian Transparency Act in 2021 has contributed to more awareness and has strengthened the work on human rights in the bank, in particular in relation to corporate clients. Whereas the law limits the scope of human rights due diligence to upstream supply chain and business relationships (except for situations where an enterprise may cause or contribute to negative impacts), SpareBank 1 Sør-Norge's approach to human rights covers impacts across its full value chain including those that occur in relation to its financial services. This approach includes assessment of impacts on human rights in the context of loans provided to large companies.

To implement these commitments in the context of corporate lending, SpareBank 1 Sør-Norge's client policy includes the expectation that clients adhere to international human rights and labor rights standards. [25] As part of the corporate loan process for all loans exceeding NOK 10 million, corporate market staff undertake ESG (environmental, social and governance) assessments that include consideration of human rights-related potential and actual impacts. SpareBank 1 Sør-Norge has developed its own ESG assessment module, shared with the other banks in the SpareBank 1 alliance. The appraisal covers among other things whether the corporate client: is aware of human rights impacts in own operations and in its supply chain; has policies that take the respective impact into account; and carries out due diligence and has measures in place to manage potential negative impacts.

Two dedicated staff members in the sustainability department support corporate market colleagues in these assessments on a case-by-case basis. The sustainability department receives and reviews the documentation for all loans to large corporate clients and provides input to the decision-making process if needed.

The ESG assessment approach is risk-based in that it incorporates known sector risks such as for example issues related to seasonal workers employed by agricultural companies or social dumping and working conditions in the construction sector. In practice, the result of this approach is that companies from sectors with known human rights impacts have to perform comparatively better than companies in low-risk sectors and to demonstrate that they have sufficient policies and processes in place to achieve a satisfactory score. If there is a low score, an action plan must be prepared by the client and progress reassessed annually.

Prior to 2019, the bank carried out ESG assessments only for loans exceeding NOK 50 million. In 2022, the threshold was lowered to NOK 10 million to capture a larger percentage of the client portfolio. While loans below NOK 10 million are currently not covered by the ESG assessment, all corporate clients are subject to the bank's anti-money laundering and KYC ('know your client') processes. The KYC-screening includes consideration of risks relating to work-related crimes (which include violations of decent work standards regulated by Norwegian law) and social dumping risks.

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24 See also Group standard for Human Rights and Due Diligence (operationalizes the bank´s commitments on human rights), https://www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Samfunn/Standard%20for%20Human%20Rights%20and%20Due%20Diligence.pdf

25 https://www.sparebank1.no/content/dam/SB1/bank/sr-bank/om-oss/Samfunn/Standard_for_Barekraft_for_bedriftsmarkedet.pdf, available in Norwegian only.

In addition to exercising bilateral leverage, the bank also prioritizes select issues for collective leverage such as is the case of ship recycling in the maritime sector. Following reports and court cases involving the shipping industry that highlighted serious environmental and human rights impacts in the context of ship breaking ("beaching"), Dutch banks developed the Responsible Ship Recycling Standard (RSRS). SpareBank 1 Sør-Norge joined the RSRS initiative together with other Nordic banks. Today, the RSRS principles are part of the bank's loan agreements and terms and conditions for shipping companies as well as the bank's dialogue with potential and current shipping company clients with the aim of ensuring responsible recycling of ships and minimizing harm to the environment and people. Some of the requirements include that shipping companies commit to using yards that can document decent working conditions and health and safety measures, as well as the absence of child labor and modern slavery in the yards' value chains.

Going forward, the bank is looking to further structure and prioritize its human rights-related engagement with clients to raise their awareness and capacity in relation to human rights due diligence. The bank's loan officers increasingly bring up sustainability aspects, including human rights-related issues, in their conversations with clients and bring the bank's sustainability experts into the exchanges, but there is room to structure these efforts more. So far assessments predominantly focus on whether clients have policies and disclosures in place, whereas there is potential for going deeper in assessing clients' human rights due diligence processes and whether and how they cover potential and actual impacts across the supply chain, own operations and downstream. Recent examples from this work include engaging with a toy company on human rights concerns in the supply chain and with a building solutions company on social protection concerns related to workers. In 2025 SpareBank 1 Sør-Norge plans to prioritize engaging with clients that are low scorers in the ESG assessment.

AP6

CATALYZING RESPECT FOR HUMAN RIGHTS IN PRIVATE CAPITAL MARKETS

The Sixth Swedish National Pension Fund (AP6) is a state-owned institution within Sweden's public pension system, established in 1996.[26] With a mandate to deliver long-term, high returns with adequate risk diversification through investments in unlisted assets, AP6 focuses exclusively on the private equity sector. As a state-owned pension fund, AP6 is committed to acting in accordance with Sweden's core values, including the international agreements adopted by the state and the UNGPs, as per its Policy for Responsible Investment and Ownership.

AP6 signed the UN Principles for Responsible Investment (PRI) in 2012 and the UN Global Compact in 2013 and has since gradually integrated ESG factors into its investment activities. AP6 expects that all investments adhere to international norms concerning human rights, labor rights, environmental protection, and anti-corruption. These criteria are integral to both the initial investment decision-making and ongoing monitoring processes.

In 2021, AP6 identified human rights as a strategic, cross-industry priority—independent of financial materiality—recognizing that salient human rights impacts often translate into significant financial risks. To operationalize this strategic priority, AP6 conducted a review of its existing ESG approach to identify any gaps with the UNGPs. This review led to the development of a structured HRDD framework to integrate human rights more systematically across investment activities.

Given its focus on private equity and recognizing the unique challenges present in unlisted markets, AP6's human rights approach is tailored to the asset class. This approach includes focusing HRDD efforts on its asset managers—General Partners (GPs)—who are expected to identify, assess, and address actual and potential negative human rights impacts relevant to their portfolio companies, sectors, and investment strategies.

The illiquid nature of the asset class makes it even more essential for AP6 to identify human rights risks early, prior to investment, through careful diligence. In addition to screening out certain high-risk industries from their investments, AP6's approach to human rights includes:

1. Human rights assessment of GPs. AP6 has developed an 11-question assessment tool grounded in the UNGPs to evaluate GPs on their alignment with international HRDD standards. The tool assesses whether GPs have formal human rights policies and governance structures in place, whether they continuously identify and assess actual and potential human rights impacts, actively engage with portfolio companies to address those impacts, publicly disclose human rights performance, and ensure that effective grievance mechanisms are available within portfolio companies. In its first pilot assessment conducted in 2023, the average GP scored 4 out of 10, with some scoring as low as 0.5. The results also revealed that venture capital firms tended to be less formalized in their approach compared to larger private equity firms focused on buyout investments.

2. Supporting and influencing GPs on human rights. In general, AP6 sees the ownership phase as an opportunity to build knowledge and understanding, and to exercise influence in various areas important to the investment. Participation in investor meetings, fund advisory committees, and bilateral engagement are part of this, all of which build knowledge and readiness for upcoming investment evaluations and commitments.

   AP6 takes an active and collaborative approach to supporting GPs in strengthening their human rights practices. This approach includes annual bilateral reviews that track progress over time, feedback sessions allowing for dialogue around best-practice, and sharing tools and resources to guide implementation. AP6 also facilitates peer learning by hosting roundtables—such as the 2023 Stockholm Human Rights Roundtable, where GPs shared best practices and engaged in open dialogue on challenges and solutions related to human rights due diligence.

26 Due to consolidation of the national pension fund system in Sweden, AP6 will merge with AP2 by 1st January 2026 and thereby cease operations.

3. Beyond its direct engagement with GPs, AP6 collaborates with other investors and stakeholders to amplify its influence and foster broader systemic change across the private equity sector. This collective action helps build shared understanding and drive alignment on critical issues, including rights-respecting investments in emerging technologies and in climate strategies to support a just transition.

4. Ongoing monitoring. AP6 continuously monitors GPs and portfolio companies using a third-party tool that tracks negative sustainability-related reporting, including on human rights. This tool enables AP6 to identify potential and actual human rights impacts across the portfolio, which serves as a basis for engagement with GPs on specific topics and incidents. The primary engagement is with GPs, who in turn explain how they are managing actual or potential incidents in the portfolio companies' operations and value chains.

Since establishing human rights as a strategic focus area in 2021, AP6 has observed moderate but meaningful progress among some GPs, alongside a growing interest in and awareness of human rights issues. Many GPs continue to interpret these issues narrowly—often viewing them primarily through a supply chain lens—rather than considering the full range of potential impacts companies can have on people across their own operations and value chains, including downstream.

Although AP6, as an asset owner, has not set formal targets for alignment with the UNGPs by its GPs, it encourages greater public disclosure of human rights approaches among GPs. Still, AP6 prioritizes tangible implementation and action over reporting alone, emphasizing that real progress comes from integrating human rights into core investment practices.

While some pension funds investing in private markets may be reluctant to set robust expectations on GPs for fear of being excluded from high-performing private equity opportunities, AP6's experience has been the opposite.

"We've almost exclusively received positive feedback when engaging with GPs on human rights. Taking a constructive approach and providing examples from other GPs in our portfolio allows us to share insights many GPs do not have easy access to," AP6 explains.

AP PENSION

EU REGULATION ON SUSTAINABLE FINANCE PROMPTS RE-VISITING OF HUMAN RIGHTS DUE DILIGENCE GOVERNANCE FRAMEWORK

AP Pension is a private Danish pension fund for employees at large- and medium-sized companies. As of 2025, AP Pension has DKK 181 billion worth of assets under management, which are invested in a mix of instruments consisting of bonds, listed and private equity, infrastructure, and real estate, with exposure to both national and international markets.

AP Pension´s approach to managing sustainability impacts, including human rights impacts, is outlined in the Investment Responsibility and Sustainability Policy. The policy commits AP Pension to observing the UNGPs and OECD Guidelines through a risk-based approach to identifying and addressing negative impacts on human rights. The risk management process described in the policy includes a combination of pre-investment screening and continuous monitoring post-investment, active ownership (e.g. company dialogues and voting on shareholder resolutions) and exclusions–all tailored to the specificities of listed and unlisted investments, respectively. An ESG team comprising 4 full-time staff is tasked with overseeing the implementation of sustainability commitments within the investment department.

As many other EU investors that integrate sustainability in pension products, AP Pension is legally required by the Sustainable Finance Disclosure Regulation (SFDR)[27] to disclose its approach to managing so-called 'principal adverse impacts' (PAI) on sustainability factors including on human rights. In 2023, AP Pension published the first PAI Statement using a template developed by the European Commission, which requires disclosure of performance data on a list of quantitative indicators covering social/human rights topics. For example, two of the mandatory indicators require investors to report on the extent of their portfolio alignment with the social chapters of the UN Global Compact and OECD Guidelines for Multinational Enterprises.[28]

AP Pension´s efforts to comply with this transparency regulation triggered a series of operational and governance-level changes. First, AP Pension realized that the data quality and coverage by their data provider at the time had various shortcomings that posed challenges for their ability to report against the PAIs. As a result, AP Pension eventually selected a new data provider for its preferred methodologies. To cover the social chapters of the OECD Guidelines, AP Pension today uses several data points covering, among others, whether a company has in place a human rights policy, due diligence processes and grievance mechanisms. AP Pension is currently engaging its new data provider to sharpen its methodologies even more to ensure that data reflects actual alignment with the international standards. As a lack of reported data from companies represents a challenge more generally in the industry, AP Pension also engages with portfolio companies to encourage more transparency and better data quality.

Second, AP Pension decided to retain more internal control over the analysis of sustainability data by integrating the externally sourced data in an internal database. This was meant to give AP Pension more autonomy in developing and implementing thresholds and triggers, for example, when prioritizing investees for active ownership efforts. Responsibility for managing the database was assigned to the company's so-called Middle Office team, a team traditionally responsible for managing financial risk, with direct reporting lines to the Chief Financial Officer. Placing the responsibility for managing sustainability data in the Middle Office was meant to ensure that an internal system of 'checks and balances' was put in place whereby a team functionally separate from the ESG team played an oversight role in ensuring sustainability commitments are being met. As a result, any breaches of the set thresholds will on a regular basis be reported to management and the Board, and the companies in question will be placed on an internal observation list for prioritized active ownership. If negative human rights impacts are very severe or active ownership does not show improvements within a set timeframe, AP Pension's Investment Committee can decide on potential exclusions.

27 EU SFDR aims to strengthen the disclosures of the financial services sector pertaining to investments promoted as having sustainability as an objective or ESG characteristics. The Regulation distinguishes between sustainability impact and sustainability risk requiring financial institutions to report on both aspects in their institutional and product level disclosures. SFDR implementation has taken place in a staggered approach, with the first requirements starting to apply in 2021. For more information see DIHR, How do the pieces fit in the puzzle? Making sense of EU regulatory initiatives related to business and human rights, p. 29.

28 Note that the supervisory authorities have suggested the replacement of the UN Global Compact with the UNGPs, see European Supervisory Authorities, Final Report on the draft Regulatory Technical Standards, 4 December 2023.

The efforts to report against the SFDR triggered an internal conversation within AP Pension about how best to structure internal processes to report on alignment with international standards including the UNGPs and OECD Guidelines. The need to report against quantifiable indicators to track AP Pension´s sustainability performance brought attention to a previously under-developed component of HRDD: the tracking of its effectiveness. At the same time, the regulation threw in sharp relief the challenges of the company's dependence on external data providers with varying ability to adapt their products to emerging regulatory requirements. The decision to develop internal capacity on sustainability data was partly a means to reduce this dependence, at least at the level of the prioritization of impacts with in-house thresholds instead. The ability to conduct the analysis in-house also allowed AP Pension to transition to a more proactive and structured approach to portfolio monitoring, ensuring that all companies are evaluated based on selected human rights indicators, and that active ownership – including escalation tactics – is targeted at those that fail to meet the thresholds. In addition to the data-based screening of the portfolio – and acknowledging that data alone does not tell the whole story – AP Pension conducts more elaborate qualitative analyses of investments that are deemed high-risk from a human rights perspective. Finally, compliance with the regulation resulted in the further mainstreaming of sustainability considerations throughout the organization, by building the capacity of a new team (i.e. Middle Office) on sustainability including human rights issues and topics.

NN GROUP

EMBEDDING SUSTAINABILITY INTO INSURANCE THROUGH POLICY, ENGAGEMENT, AND PRAGMATIC LEVERAGE

NN Group is a Dutch financial services company active in 10 countries, with a strong presence in Europe and Japan. It offers retirement services, pensions, insurance, and banking. As part of its commitment to responsible business, NN Group is working to further embed sustainability into its insurance underwriting activities.

The NN Group Sustainability and Social Impact (SSI) team operates at the headquarters level, setting sustainability strategy and policy across the business. The team acts as the center of expertise, guiding business and functional units in implementing sustainability practices and aligning with stakeholder expectations.

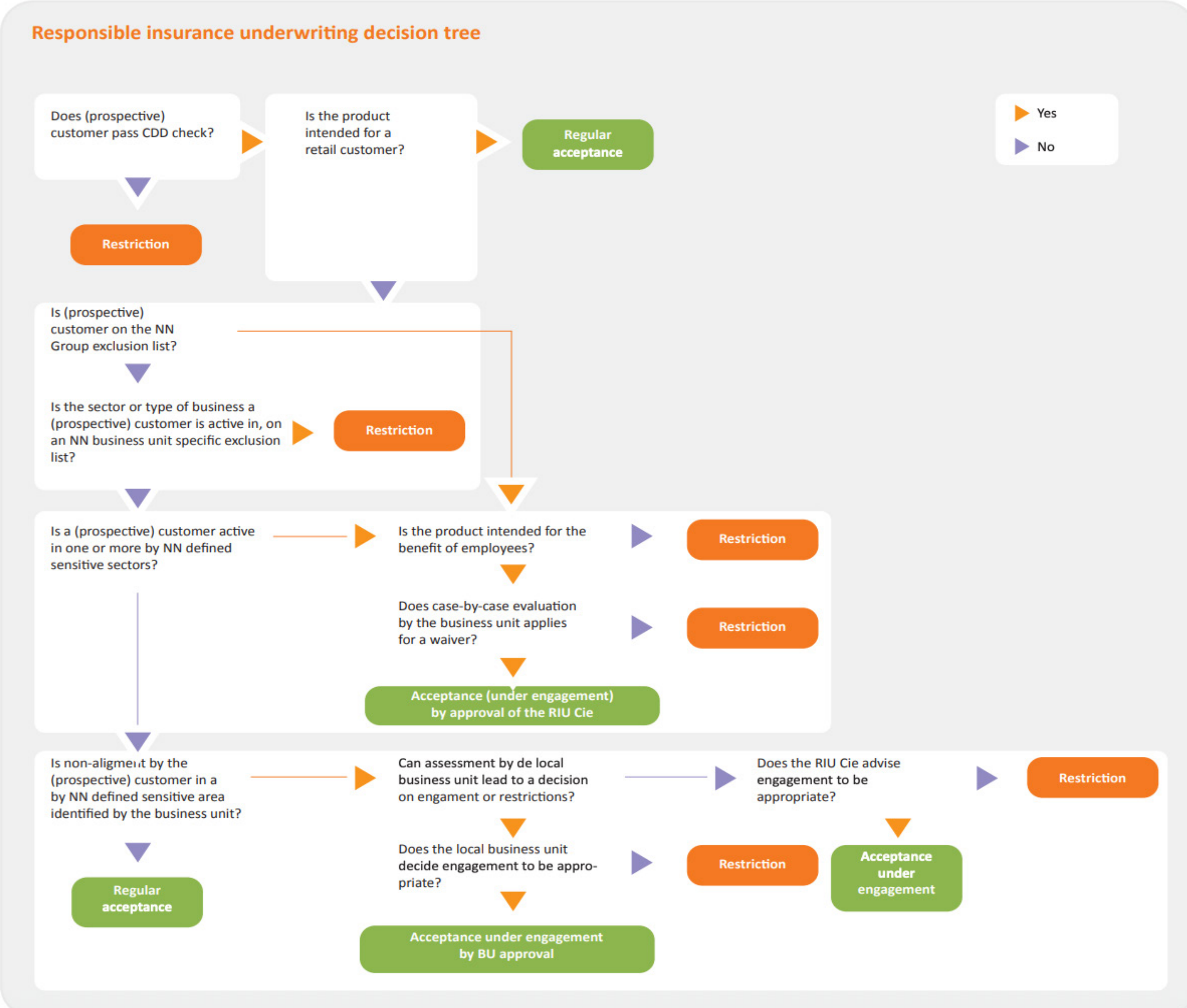
In 2024 NN Group published its Responsible Insurance Underwriting (RIU) policy—the first policy adopted by the company focused on integrating environmental and social (E&S) considerations into its insurance underwriting. Business units are guided by this policy in order to strengthen the due diligence process of identifying and assessing potential negative E&S impacts. The policy also supports engagement with clients regarding their ESG performance, focusing on sectors that might face higher risks.[29] NN Group has mapped its insurance portfolio in the Netherlands against real economy sectoral risks. With this mapping, NN Group created a heatmap to guide prioritization for RIU implementation. NN Group subsequently developed targeted questions for clients in specific sectors. For example, in agriculture, underwriters may ask about the location of farms and specific environmental risks. In case of an actual or potential negative impact, the business unit will determine whether the impact can be mitigated by the client without additional action from NN Group or if further engagement with the client is needed before a decision on insurance underwriting can be made.

NN Group aims to use its position as an insurer to promote positive change and adopt appropriate business practices. Therefore, if NN Group identifies non-alignment within the NN Group marked sensitive areas, a decision must be taken whether to accept a customer under engagement to steer to better practices and/or, as a matter of last resort, to restrict underwriting activities with the client. The NN Group RIU committee made up of business and functional units senior representatives oversees such decisions and developments.

NN Group applies a specific approach for products and services that are intended for the benefit of employees such as pension products and employee compensation. This approach takes into account and prioritizes the principle that individual pension plans should be protected in order to ensure the financial well-being of workers and their families. In such circumstances, a case-by-case customer-based decision is taken following internal discussions and collaboration between the business units, SSI team, and the client involved, often leading to strengthened relationships between NN and its clients.

The following decision tree summarizes NN's process and responsibilities for acceptance, acceptance under engagement or restrictions in responsible insurance underwriting:

29 For detail on NN Group's sensitive sectors and areas, see section 2.2. of the Responsible Insurance Underwriting (RIU) policy.



NN Group is in the first phase of operationalizing responsible insurance underwriting and notes that the company, and the market in general, isn't as mature when it comes to the use of leverage in client relationships in insurance underwriting compared to other types of financial products and services. Insurance providers and their clients are also often less accustomed to asking and responding to ESG-related criteria than, for example, asset managers and investees. In addition to ESG screening/due diligence practices now being implemented, NN Group aims to use its expertise to support clients to adopt more sustainable practices or become less exposed to sustainability risks, such as climate-related flooding.

NN Group notes that there are challenges at this early stage of implementation. For example, it can be challenging to obtain sustainability data from clients that are small and medium-sized enterprises (SMEs). The SSI team bears in mind that clients could feel burdened by too many questions that address sustainability risks and impacts, especially when they don't seem relevant to the client's core business activities. The team is also aware of concerns from business units about integrating ESG criteria in a way that creates an unmanageable workload. Furthermore, compared to banking, it can sometimes be easier for a client to switch insurance providers. Additionally, NN Group often operates through intermediaries, which limits direct engagement with clients. The company aims to address this challenge by engaging intermediaries in trainings and by setting clear expectations for ESG integration in insurance underwriting processes. NN Group's approach is grounded in the 'principled pragmatism' of the UNGPs—recognizing that while the path isn't perfect, incremental steps aligned with international standards are both necessary and impactful. Different forms of leverage are applied depending on the client type and relationship structure, with education and engagement at the core.

"We know it's not perfect yet," an NN Group team member *reflects, "but we're moving forward. And that's what matters."*

PERMIRA
A HUMAN RIGHTS JOURNEY IN PRIVATE EQUITY

Permira is a global investment firm that backs successful businesses with growth ambitions. Founded in 1985, the firm advises funds across two asset classes, private equity and credit, with total committed capital of approximately €80 billion. Permira's private equity funds make both long-term majority (Buyout) and minority (Growth Equity) investments in four key sectors: Technology, Consumer, Healthcare and Services.

Across its private equity business, Permira believes that a focus on relevant and material[30] sustainability risks and opportunities is an important part of building value in the Permira funds' portfolio companies. Recognizing both human rights as a systemic issue affecting companies across sectors and geographies and investors' increasing focus on human rights Permira worked to strengthen its approach to human rights and access to remedy.

In 2023, Permira reviewed its Sustainability Framework, policies, and practices against the UNGPs to identify key human rights due diligence gaps and prioritize actions to integrate human rights into due diligence, investment decision-making, and portfolio company engagement.

As a core element of the UNGPs, Permira reviewed and strengthened its approach to identifying and addressing actual and potential negative human rights impacts across its portfolio. This included enhancing internal guidance within Permira on effective grievance mechanisms, identifying potentially material incidents and adopting a remedy ecosystem approach—aimed at improving human rights practices and outcomes across its investments.

Following this work, Permira updated its publicly available Sustainability Policy to include an explicit commitment to respect human rights in line with the UNGPs. The firm commits to integrating human rights-related risks into its broader assessment of financially material sustainability risks - both in the pre-investment stage of any potential investee company, as well as throughout the ongoing portfolio monitoring - and aims to identify and actively engage on potentially material human rights risks to people. The firm also seeks to enable access to remedy, to enhance its human rights disclosure and reporting, and to strengthen stakeholder engagement.

Permira's human rights approach and performance is shared with investors on an annual basis. Permira's reporting on this includes metrics related to human rights policies and potentially material incidents.

Looking ahead, Permira is focusing on investing in companies which support and provide services relating to the transition to a low-carbon economy. In this context, the firm is committed to applying its approach to human rights to these investments where relevant, as it recognizes the effects on human rights as a result of climate change and climate transition. Permira has joined the Steering Committee of BSR's People and Climate Action in Private Markets (PCAP) initiative to provide its industry perspective and experience in the development of an integrated approach to human rights, climate and nature – and importantly in seeking to set out how this can be operationalized and implemented by companies and their investors. Permira also aims to work with its portfolio companies on areas such as supply chain resilience and responsible AI where these increasingly present both risks and opportunities to human rights given ever changing market dynamics.

30 Material sustainability risks are defined as those sustainability issues that Permira determines have – or have the potential to have – a significant negative impact on an organization's going forward ability to create or preserve economic value for that organization and its investors.

ANNEX 1

EXAMPLES OF FINANCIAL INSTITUTIONS EXERCISING LEVERAGE TO IMPROVE RESPECT FOR HUMAN RIGHTS

This Annex includes recent and historical examples of investors and lenders undertaking activities designed to influence clients and investees towards improved respect for peoples' rights. The examples have been compiled using publicly available sources, including sustainability reports. The examples are divided into:

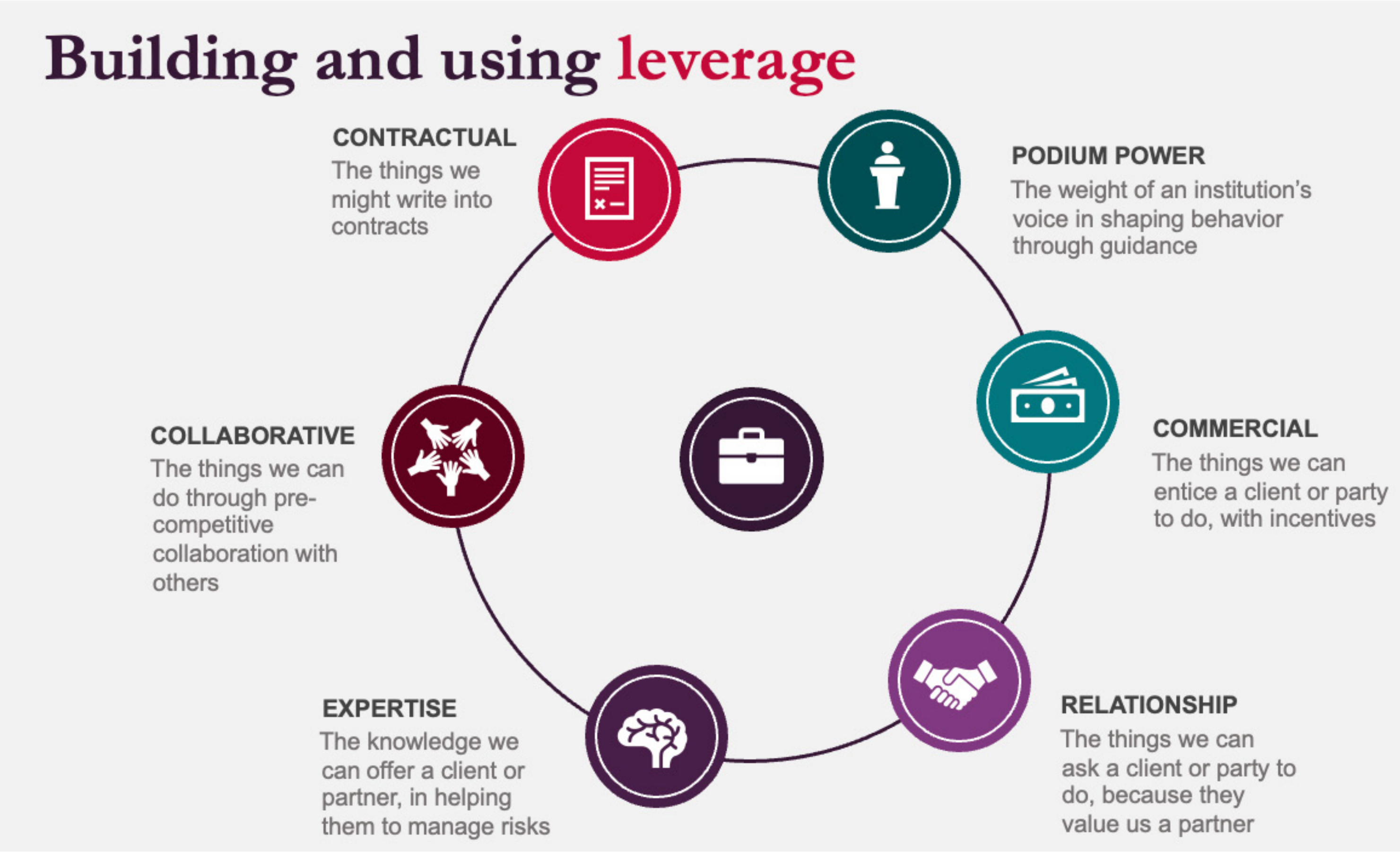
A. examples of **processes** at financial institutions designed to **exercise leverage with clients/investees** as part of implementing HRDD in their downstream value chains; and

B. examples of **use of leverage** by financial institutions with clients/investees in **specific cases.**

The examples provided are not designed to be exhaustive, nor do they suggest endorsement by the authors of the various approaches or their outcomes. Rather, the selection of examples is intended to highlight the variety of ways in which institutions themselves have reported using leverage downstream, and to inspire creativity in designing strategies to use influence for better outcomes for people.

The Annex seeks to classify the examples into the following categories of leverage: **contractual, commercial, relationship, expertise, collaborative, podium power.**\

Predictably, there is less in public disclosures about use of commercial leverage by financial institutions. While contractual and commercial leverage are perhaps the most readily recognizable forms of leverage, other "softer" forms of leverage – such as providing expertise to clients, or influencing via the quality of relationship held, e.g. by relationship managers – have an important role to play in the toolbox of financial institutions. It is also worth noting that often leverage efforts involve a combination of these various forms.



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A. Self-disclosed examples of processes used to exercise leverage with clients/ investees to implement HRDD in financial institutions' downstream value chain*

Financial institution (with link to relevant disclosure)	**Type of relationship**	**Relevant Disclosure**	**Type of leverage**
Barclays Modern Slavery Report (2024) Forestry & Agricultural Commodities Statement (2023)	**Bank › Clients**	1. "These position statements are operationalised through internal standards including an enhanced due diligence approach. Clients in scope of our position standards are assessed annually via a detailed due diligence questionnaire used to evaluate their performance on a range of environmental and social issues, and may be supplemented by a review of client policies or procedures, further client engagement, and adverse media checks as appropriate. Where this due diligence leads to the identification of potential human rights violations, including modern slavery risk, these are referred for further review to the Group Sustainability & ESG and/or Financial Crime teams, depending on the nature of the concern. This annual review either generates an Environmental and Social Impact (ESI) risk rating (low, medium, high), or, in the case of Defence and Security, an assessment against risk appetite – which in turn determines whether further review and client engagement may be required throughout the year. High and certain medium ESI rated clients would require further risk assessment prior to execution of transactions with those clients." (Modern Slavery Report, p. 8)	Relationship & Expertise
	Bank › Clients	2. "In cases where clients are identified as non-compliant with the mandatory requirements, Barclays will require the client to develop and implement an action plan to remediate this within a limited timeframe. Where these clients are unable or unwilling to do so we will seek to exit the relationship taking into account existing contractual arrangements. In cases where clients are identified as not meeting the non-mandatory expectations, Barclays will engage with these clients during annual client due diligence and encourage them to adhere to these. Where these clients are unable or unwilling to do so over time, we will review the relationship and may reduce our support. In addition to these requirements and expectations, clients are analysed against specific environmental and social risk considerations, which include, but are not limited to: I. Adherence to local and national environmental regulation and standards and industry best practice. II. Impacts on protected areas such as World Heritage Sites and Ramsar Wetlands. III. Association with environmental and social controversies including deforestation, land conversion, significant adverse impacts on human rights and nature "(Forestry & Agricultural Commodities Statement, p. 4)"	Relationship & Commercial

* Mitigation examples are a cross-section of recent or historical publicly available examples for reference only and may not reflect current engagements or practice; the authors do not offer insight into their relative maturity or effectiveness.

Rabobank Sustainability Progress Report (2022)	**Bank › Clients**	"As part of our focus on sustainability, we have developed the Client Photo tool. This is a new approach to help farmers and growers build a detailed snapshot of the non-financial performance of their businesses – where they're doing well and where there is room to improve. This includes how our rural customers are faring with their agronomic, environmental, social and workplace performance. We have already taken these snapshots for rural customers with lending above $1.5 million in New Zealand. This non-financial data gives us the opportunity to identify where there might be gaps and opportunities. We are also upskilling our staff to ensure meaningful discussions on farm to support our customers in developing strategies to future-proof their businesses and thrive in a transitioned world." (p. 10)	Relationship & Expertise
NatWest Annual Report (2021)	**Bank › Civil society**	"In 2021, we continued to engage with a range of stakeholders in relation to human rights including charities, Non-Governmental Organisations (NGOs) and campaign groups to help grow our knowledge and understanding of these issues. We remained members of the Thun Group and the UN Global Compact's UK Modern Slavery Working Group. We also continued to work with anti-slavery charity Unseen to support survivors and raise awareness of modern slavery with colleagues throughout NatWest Group." (p. 39)	Expertise & Podium Power
AP2 Report on Human Rights (2021)	**Asset owner › Asset managers**	1."During the spring of 2021, the Fund held digital training courses in its updated human rights policy with external portfolio managers operating in countries that the Fund considers to entail a high risk in terms of human rights. The managers' work is followed up and assessed on an annual basis. The Fund engages in close and active dialogue with external managers that invest in portfolio companies or in regions where the risk of violations of international conventions is assessed to be high. This is to continuously ensure that the managers integrate human rights issues in their asset management and that adhere to the Fund's human rights policy." (p. 8)	Relationship, Expertise, & Commercial

	Asset owner › Country	2. "AP2 has developed a framework for managing its geographical exposure with a focus on human rights. This framework is based, among other things, on the UN Guiding Principles on Business and Human Rights and the Fund's human rights policy. The Fund may decide not to include any listed assets in a country in its portfolios, if there are strong government-related sustainability reasons, such as human rights violations. In countries where the state violates the UN Convention on Human Rights, often with poorly functioning legal systems and widespread corruption, there is a great risk that companies will contribute to negative impacts on people........For the countries that are flagged up in this analysis, the Fund's opportunities to influence positive development in the country are also assessed, and whether it is better for the people affected if the Fund invests in the country or not. The Fund considers whether it is possible to arrange meetings with decision-makers, whether the government listens to investors' views, or whether it is possible to influence developments more indirectly, for example via counterparties such as local external portfolio managers. If the Fund assesses that it is not realistic to expect the Fund to be able to contribute to a positive influence on the performance of a flagged country, there may be sustainability grounds not to include the country in the Fund's portfolios." (p. 7)	
Domini Impact Investments Engagement - Domini (accessed September 2025)	**Asset manager › Investees**	Domini's engagement tools include Shareholder Proposals, Proxy Voting, and Public Statements, including, discussions about, or the issuance or endorsement of, statements or letters on a variety of environmental, social, or governance issues. "These tools help us create far-reaching impact in support of our engagement themes: universal human dignity (people) and ecological sustainability (planet)."	Relationship & Expertise
Robeco Stewardship Report (2021)	**Asset manager › Sector**	"In 2021 we closed our three-year engagement program on accelerating the payment of living wages in the garment sector. The engagement focused on how companies promote living wages in their sourcing strategies and purchasing practices, with the aim of integrating the payment of living wages across companies' operations and business models. Most of the companies under engagement have adopted references to living wages across their policies, and many have ramped up their efforts to collect data on the wage levels paid across their supply chain, as well as to benchmark those against living wage estimates. While these are key steps in guaranteeing responsible wages across the supply chain, very few companies lay out a strategic plan on how to accelerate the payment of living wages in their sourcing networks. We believe that the payment of living wages will stay on corporates' agendas for the years to come, especially in light of the forced labor allegations involving minority communities in the Chinese region of Xinjiang, one of the world's largest yarn and cotton sourcing regions." (p. 47)	Relationship & Expertise

Abrdn Human rights – our approach for investments (2021)	**Asset manager › Investees**	"We use our leverage as an investor to influence positive change as much as possible, but there are limitations to what we can achieve in isolation. For example, we can divest from equity holdings where we are unsatisfied with the management of human rights issues. But in highly liquid public markets, where we are a minority shareholder, this is unlikely to have a significant impact on its own. This is why we aim to increase our leverage by collaborating with other stakeholders. In many instances, this means combining our voice with those of other investors and asset owners to highlight policy concerns and to challenge corporate behaviours. This can also include discussions with non-governmental organisations (NGOs), trade unions and academia to better understand the changes needed to improve the human-rights environment. This can then feed through into our conversations with investee companies and issuers." (p. 5)	Collaboration
Citi Environmental, Social & Governance Report (2021)	**Bank › Clients**	"Citi has a longstanding prohibition against providing financing to any company that uses forced labor practices as defined by the ILO's 11 Forced Labour Indicators. The Citi Malaysia team partnered with our global ESRM team to conduct a portfolio review in Malaysia to determine which Citi clients may have higher risk for potential forced labor practices and whether those clients have policies and procedures in place to address that risk. Out of hundreds of corporate and subsidiary client relationships reviewed, we identified 29 in higher-risk sectors with high migrant labor employee populations that required enhanced ESRM due diligence to assess client practices against international labor practices. In situations where this review uncovered high risks that were not adequately addressed through company policies and practices, or when credible accusations of forced labor existed, we engaged those clients on improvements needed. When necessary, we required clients to bring in labor rights experts to audit and suggest improvements for their policies and procedures, and we set up regular meetings to assess progress to close these gaps." (p. 128)	Relationship & Expertise
ABN AMRO Strengthening the position of migrant workers together (2022) Talking to companies about weapons (2020)	**Bank › Clients**	1. "We brainstorm with entrepreneurs about how they can contribute to better living and working conditions for migrant workers. Based on the advice of the Roemer Committee, we have established a set of criteria that relationship managers can use to assess the situation with clients and work on improvements. These criteria include responsibly handling issues like sick pay, travel cost compensation, health insurance and housing." (ABN AMRO, 2022)	Relationship, Expertise & Collaborative

	Bank › Clients › Investees	2. "Yuri Herder, Social Sustainability Advisor at ABN AMRO, explains how the list is compiled. "The independent research agency Sustainalytics investigates which companies are active in the production, trade and sale of controversial weapons. A company identified by Sustainalytics and meeting our criteria is put on our watch list. ABN AMRO then contacts the company by letter requesting an explanation. If the company fails to provide a satisfactory explanation, we notify them that they are to be placed on our Controversial Weapons List and outline the consequences – namely, that our clients will no longer be able to invest in the company and that ABN AMRO will not do business of any kind with it." After receiving this letter, companies are regularly interested in establishing a dialogue. Yuri says, "In these cases, companies are understanding and constructive: 'You're right – this type of activity is no longer fitting for the times we live in.' Sometimes they're already in the process of phasing out these activities, and the dialogue serves to speed up that process." Yuri continues, "Since these companies aren't our clients, the bank's negotiating position is weaker, but that's not to say it has no influence at all. Most companies don't particularly like being on an exclusion list maintained by a Western bank. Obviously, it's important that we wield what influence we have for the good." (ABN AMRO, 2020)	Commercial
Export Development Canada Human Rights Disclosure (2021)	**Bank › Clients**	"As part of our due diligence process, EDC works closely with customers and supports their efforts to identify and prevent adverse human rights impacts. As described in our Due Diligence Framework, when potential or actual severe human rights risks or impacts are identified, we conduct a full assessment of the human rights risks, assessing the contextual risks as well as the management capacity of the customer. This can involve directly engaging with our customers and asking specific questions about their human rights practices, giving them risk management information, and guiding them to improve their policies and procedures. In some cases, we work with them to establish commitments and action plans that mitigate specific risks over a specified time period."(p. 16) *Note: Export Development Canada (EDC) has developed a framework for leverage and remedy. It includes policy commitments on leverage and remedy (EDC's Human Rights Policy), Principles for Leverage and Remedy, and a suite of transactional due diligence tools and portfolio-level strategies for areas requiring attention on leverage and remedy.*	Relationship & Expertise

ANZ Group Modern Slavery Statement (2022)	**Bank › Group of clients in one sector**	"We used our risk assessment to focus on the Australian agriculture customer portfolio. We specifically reviewed those in the horticulture sector that have a higher likelihood of employing manual labour. We reviewed our relationships state-by-state, and identified our top 10 customers in this higher risk sector. We had planned engagement in 2022 but this was interrupted due to ongoing COVID-19 restrictions. We are now preparing to engage with these customers in 2023." (p. 14)	Relationship & Expertise
Bank of Montreal Statement against Modern Slavery and Human Trafficking (2021)	**Bank › Banks**	"In 2019, BMO joined a coalition of leading banks and survivor organizations to launch Finance Against Slavery and Trafficking (FAST) at the United Nations General Assembly. FAST aims to provide financial institutions, service providers, regulators, government agencies and other stakeholders around the world with a framework to match survivors to basic financial services, easing their return to society." (p. 4)	Collaborative
Munich Re Declaration of Principles on Respecting and Protecting Human Rights (2024)	**Insurer › Insured**	"In our underwriting guidelines for our single-risk business in primary insurance and facultative reinsurance, we have therefore incorporated an enhanced risk analysis for certain large commercial business clients. The focus here is on client groups for which – given their geography and sector – structural factors contribute to an increased risk of human rights violations." (p. 3)	Commercial
Talanx Group Policy statement on human rights (2024)	**Insurer/Asset manager › Insured/Investee**	"Compliance with social standards and principles has been stipulated as a key filter criterion throughout the Group for the regular ESG screening. By adhering to the social criteria established in the UN Global Compact, the Talanx Group has systematically expanded its filter catalog to include international social standards such as the conventions drawn up by the International Labor Organization's (ILO) Conventions, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs). The social screening and exclusion criteria are defined and regularly reviewed by the Responsible Investment Committee (RIC), and recommendations are made to Group companies with regard to holding or reducing investment portfolios while safeguarding the economic interests of the insured community." (p. 2)	Commercial
Tryg AS Human and Labour Rights Policy (2024)	**Insurer › Insured**	"We expect our commercial customers to respect human and labour rights and set out clear expectations in the insurance provisions that these customers, as a minimum, live up to the ten principles of the UN Global Compact. Commercial customers of a certain size are screened according to ESG parameters, specifically including human and labour rights, to ensure that their behaviour and performance are monitored." (p. 5)	Commercial

Allianz SE ESG Integration Framework (2021)	**Insurer/Asset manager › Insured/Investee**	"When a human rights risk is identified by an underwriter or investment manager by applying a sector guideline or the ESG Sensitive Business Guideline for Human Rights, a mandatory referral process starts for further due diligence by ESG experts and the involvement of central units such as the risk and communication departments. Where an issue is detected and the (re)insurer/ investor has leverage (in a lead position or with good contact with the client/broker/investee company), engagement is encouraged to address and mitigate the human rights risk. If no mitigation measures exist or if leverage cannot be increased, the risk might be unacceptable. Factors which may influence this decision include the severity of the human rights violation, the significance of the business relationship as well as own values. Allianz has collaborated with several NGOs to identify risks to the business." (p. 40)	Relationship & Commercial
Westpac Westpac NZ announces package of sustainability initiatives (27 July 2022)	**Bank › Client**	Westpac NZ is also piloting new Sustainable Agribusiness Loans with a small group of farming customers. "The loan is the first of its kind to require a customer to meet all parts of the Sustainable Agriculture Finance Initiative guidance. This guidance includes practices to reduce emissions, improve long-term resilience and deliver more sustainable outcomes in terms of water, waste, pollution and ecosystems." Once farmers commit to meet the guidance, they have two years to achieve that goal and will be supported with discounted loan pricing. *Author note: The Sustainable Agriculture Finance Initiative SAFI was established by The Aotearoa Circle in 2021 to accelerate further investment and support for sustainable agriculture in Aotearoa New Zealand. The initiative was led by a Steering Group made up of major banks in Aotearoa New Zealand – ANZ, ASB, BNZ, Westpac, and Rabobank – along with the Ministry for Primary Industries, with secretariat services provided by EY. The Steering Group worked to develop guidance for sustainable agriculture finance that takes note of emerging international frameworks as well as existing good farming practice standards used by Aotearoa New Zealand growers and farmers.*	Commercial & Collaborative

B. Self-disclosed or publicly available examples of use of leverage with clients/ investees in specific cases**

Financial institution *(with link to relevant disclosure or public coverage)*	**Type of relationship**	**Disclosure**	**Type of leverage**
ABN AMRO Bank ABN AMRO Human Rights Report (2022) Responsible Investor, ABN AMRO pioneers human rights data collection on TikTok (9 December 2022)	**Bank › Clients**	1. "We were able to determine that since 2018, more than one hundred of our clients in the solar panel sector have made significant payments to Chinese companies linked to the solar industry in Xinjiang. In 2022, we initiated a pilot engagement process whereby we proactively contacted a number of our clients in the solar panel and renewable energy sectors regarding the potential connection to alleged human rights abuses in the solar panel supply chain in China. The goal of the engagement process was to raise awareness among these clients about the risks associated with sourcing from the Xinjiang province in China – including operational, legislative and reputational risks." (Human Rights Report, p. 43)	Relationship & Expertise
	Bank › Client	2. "One especially innovative example involved a Dutch bank seeking to get the perspectives of at-risk seafarers regarding the global transport and logistics sectors – a key strategic market for the bank's corporate lending business. By connecting with 'seafarer influencers' on TikTok, the bank was able to have over 130 surveys completed by these workers, in addition to other stakeholder interviews. This brought insights about top concerns (mental health, excessive overtime hours, available resting hours, and harassment of female workers) that were generally unknown or discounted before this analysis." (Responsible Investor, 2022)	
ANZ Modern Slavery Statement (2022)	**Bank › Asset manager › Investee**	"One of our external fund managers identified companies at risk of modern slavery in their portfolio and sought to engage with management to understand their approach to managing these risks. One company identified as 'above-average' risk had an extensive supply chain into Asia including manufacturing in Vietnam, Malaysia, Sri Lanka and Thailand and a reliance on third-party supply chains. A supplier in their network received allegations of forced labour, debt bondage, withheld wages, unsafe living conditions and passport confiscation. These issues were discussed between our external fund manager and the company at the Board level. The company was aware of the issues and risks in its business and provided evidence of CEO visits to inspect supplier practices, training provided to manufacturing plants and procurement staff, and audit actions. Our fund manager was comfortable that these risks were being managed and regularly reviewed at the most senior level." (p. 19)	Relationship

** Mitigation examples are a cross-section of recent or historical publicly available examples for reference only and may not reflect current engagements or practice; the authors do not offer insight into their relative maturity or effectiveness.

ING Bank Human Rights Report (2018)	**Bank › Client**	"In 2016, ING was one of 17 banks who entered into financing the Dakota access pipeline, a 1,172-mile-long (1,886 km) underground oil pipeline in the United States. As with all of the projects that we finance, we carefully screened the project according to laws and regulations as well as ING's environmental and social risk policy framework. As part of this due diligence we reviewed environmental and social project documentation, including third-party reports. These reports did not reveal any material shortcomings. However, not long after issuing the loan, we learned that the Sioux tribal nation was opposed to the pipeline, under the assertion that the pipeline might threaten sacred burial grounds as well as the quality of water in the area. On 10 February 2017, we met with the Standing Rock Sioux Tribe and discussed the Tribe's concern regarding the pipeline's proposed routing. The Tribe made it clear that it believed its interests and position as a sovereign nation were not properly recognised in the process led by the USA government. In the meeting, we shared with the Tribe our willingness to either continue trying to positively influence the course of the project, or to distance ourselves by selling our stake in the loan. In response, the Standing Rock Sioux Tribe indicated it would appreciate ING selling its loan in the project, because there is little room for lenders to exert a positive influence on the project once construction resumed, and because it would be a valuable message supporting its call for respectful dialogue. In response, we sold the loan. We also: • Publicly expressed our disagreement with the level of respect shown by the companies, our clients. • Sold the shares we had in the parent companies. • Decided to stop doing any new business with the companies, not renewing credit facilities that expire, effectively ending the relationship. • Continually tried to use our influence to resolve this issue in a way that could satisfy all parties. In this case, we used our leverage as we thought most effective. We engaged with our client, we commissioned additional research, we engaged with the rights holders, and we took action. Nevertheless, a key lesson has been that our capacity to affect change is dependent on the willingness of the client to act. Our leverage as a bank is in large part limited to the due-diligence phase of the transaction." (p. 54)	Commercial

FMO Human rights progress report (October 2017-September 2018)	**Bank › Client**	"During our due diligence on an agro-processing factory in India, we discovered that the working standards of drivers hired by the transport companies our client is working with were below standard. We now work with our client to improve these conditions. The drivers transport agricultural products from the farms to the factory. They cover long distances, partly on dirt roads. The client has to wait for several hours between assembly points and the factory before the cargo gets weighed and booked in the company's electronic system. Sometimes this means that, after arriving at the factory, the drivers can only return home the next day. We asked our client to investigate the drivers' working hours, when and how much the transporters are paid and how much time they can spend at home with their families. We also look into their working conditions more broadly. The assessment identified several areas of improvement. As a result, our client is engaging with transporters to improve driver remuneration. The client has also provided shelter, sanitation and food for drivers arriving in the evening, so that they can refresh themselves and rest before they get back on the road the next day." (p. 17)	Relationship & Expertise
Pædagogernes Pension (PBU) IPE, Denmark´s PBU loses patience with Amazon over labour rights, divests 40 m EUR (13 February 2023)	**Asset owner › Investee**	"PBU said Amazon had opposed an investor demand for an independent third-party assessment of the company's respect for these fundamental labour rights and of the principle of remaining neutral and not interfering in the employee process...PBU said that although it would lose the opportunity to vote at Amazon's general meeting by excluding the firm from its portfolio, it would still continue to support investor efforts in Denmark and abroad to get responses from the company." (IPE, 2023)	Commercial & Podium power
Norges Bank Investment Management Decisions on observation and exclusion (6 July 2023)	**Asset owner › Investee**	"The aim of the dialogue with UPL has been significant reduction in the use of child labour in the subsidiary Advanta through appropriate policies and processes to prevent and manage the risk of child labour. Over the course of the five-year period, Norges Bank has had 11 meetings with UPL and Advanta, including a visit to the companies in India as well as regular written correspondence.	Relationship & Expertise

		During the ownership period, UPL has adopted new and updated board-approved policies that include zero-tolerance for child labour, for its own operations and the supply chain. This includes updated contracts for farmers producing seeds for Advanta. The companies have also implemented a broad five-year campaign, "United Against Child Labour", with the aim to prevent and manage the risk of child labour in the seed supply chain. The campaign has included communication of UPL and Advanta's updated child labour policies through local community workers, recognition of farmers and villages, dialogue with local authorities and schools, and follow-up on children's school attendance throughout the year. Advanta has also joined the industry initiative ECHO Forum where seed companies share experiences and work to improve industry practice. They have also run pilot programmes where children of farmers are given vocational training after completing elementary schooling. UPL and Advanta have further implemented measures to improve their child labour monitoring systems. This includes new and updated tools and training for employees as well as monitoring by different teams at various stages of the seed process. The companies have set up a three-tier escalation process for any violations of their policies, which entails penalties after repeated violations. In addition to the companies' own monitoring, there have been several external evaluations/audits conducted, which have shown promising results. As the use of child labour continues to pose a serious risk to children's rights, and the seed sector in India generally is exposed to this risk, a continued focus on prevention, monitoring and remediation of child labour will be important for the companies going forward. Norges Bank plans to continue to engage with UPL as part of its regular ownership activities."	
AP2 Report on Human Rights (2021)	**Asset owner › Investees**	"The Council on Ethics participates in a three-year proactive commitment led by Sustainalytics, with focus on forced labour…Among the sectors to which the Fund is exposed, the incidence of forced labour is greatest in the construction and manufacturing sectors, with the latter including the textile sector. The project will therefore focus on companies in these sectors. Twenty companies have been selected; eight within construction and technology and 12 within textiles, with different geographical bases and positions in the value chain, and different levels of sustainability work and transparency. The companies are evaluated against six key performance indicators that have been defined to cover important aspects of the companies' due diligence. Based on publicly available information, all companies have been evaluated against these KPIs, which will then be followed up during the course of the project." (p. 16)	Expertise

ABN AMRO, CCLA Investment Management, PGGM, Triodos Investment Management Interfaith Center on Corporate Responsibility, Joint Investor Letter to Nike on Outstanding Wage Payments (7 September 2023)	**Asset owners › Investee**	"This joint investor letter describes two cases of labor violations, where garment workers employed by Nike's largest international supplier, the Ramatex Group and the Hong Seng Knitting Group (that has a joint venture with the Ramatex Group) were not paid legally owed wages and benefits in full in 2020, amounting to a collective $2.2 million owed to more than 4,500 garment workers in Cambodia and Thailand respectively. The joint investor letter has been sent to Nike which has been aware of these two rights issues for the past three years, and Nike will be sent an update of signatories on a regular basis. The investor letter emphasizes the need for remedy in the form of payment of unpaid wages and benefits. It was drafted by a coalition of investors after consultation with NGOs and unions. These investors currently represent over $4 trillion AUM/AUA."	Collaborative & Expertise & Podium power
Folksam, PFA Pension, Pension Denmark, Kommunal Landspensjonskasse, Norges Bank Investment Management Reuters, Tesla to be asked by Nordic pension funds to respect collective bargaining (11 December 2023)	**Asset owners › Investee**	"The pension funds, which include Sweden's Folksam and Denmark's PFA and PensionDanmark, in the letter plan to ask for a meeting with Tesla. "This isn't just about the labour model in the Nordic but about fundamental human rights," said Kiran Aziz, head of responsible investments at KLP, which holds Tesla shares worth roughly $210 million. Tesla has managed to avoid collective bargaining agreements with its roughly 127,000 workers, and CEO Elon Musk has been vocal about his opposition to unions."	Collaborative & Podium power
AkademikerPension, LD Fonde European Pensions, AkademikerPension asks DSV to expand reporting on human rights risks (7 March 2024)	**Asset owners › Investee**	"Denmark's AkademikerPension, together with LD Fonde, has submitted a shareholder proposal asking Danish logistics company, DSV, to expand its reporting on how it identifies and manages human rights risks. The pension fund said one of the reasons for the shareholder proposal is the company's large-scale collaboration with the Saudi company NEOM to build a new giant city in Saudi Arabia. AkademikerPension has accused DSV of having a "blindspot" when it comes to outside concerns about this project."	Collaborative & Commercial

Storebrand Asset Management, DNB Asset Management Responsible Investor, Major Nordic investors engage with downstream solar energy companies on human rights concerns (27 January 2022)	**Asset owners › Investees**	"Two other fronts on which SfC will be engaging companies for the first time in 2022 are the human rights crisis in the Uyghur region and biodiversity. SfC has become a member of the IAHR (Investor Alliance for Human Rights) and is part of the Uyghur Region Engagement Group. Some of SfC's members are already engaging companies on the Uyghur forced labour issue. Since 2017, the Chinese government has placed an estimated 1.8 million predominantly Turkic and Muslim-majority peoples, including Uyghurs, in detention camps, prisons, and factories across the Xinjiang Autonomous Uyghur Region in China (Uyghur Region). This detention underpins systems of repression, in which business enterprises are involved, including wide-spread forced labor of people."	Collaborative & Podium power
Nordea, AkademikerPension, AP Funds, Boston Common Asset Management Investor Alliance for Human Rights, Investor Statement Calling on Companies to Improve Performance on the Corporate Human Rights Benchmark (26 February 2021)	**Asset owners › Investees**	"Yet, based on the latest CHRB ranking, which assessed the largest publicly traded companies in high-risk sectors against five human rights due diligence indicators, a significant number of companies have scored poorly, many scoring zero on all five indicators. We are concerned that a lack of public communication on human rights suggests these companies have not assessed associated risks or determined how best to mitigate them. We are therefore calling on companies to demonstrate respect for human rights by publicly disclosing the following: 1. Your processes to identify and assess adverse human rights risks and impacts in your operations and throughout your business relationships, including throughout your supply chain; 2. Your processes for prioritizing your salient human rights issues, meaning the most severe impacts on people connected to your business; 3. Your salient human rights impacts, including impacts in the supply chain; 4. Your actions to prevent, mitigate, and remediate adverse impacts in relation to your salient human rights issues, and how these actions apply across your value chain; and 5. Your approach to tracking the actions taken, how those actions are evaluated and revised for effectiveness, and the effectiveness of your approaches in addressing those adverse impacts."	Collaborative & Expertise & Podium power

A coalition of 192 investors Interfaith Center on Corporate Responsibility (ICCR), On the Tenth Anniversary of Rana Plaza Tragedy, Investors Call on Companies to Prioritize Worker Safety in Global Apparel Supply Chains (19 April 2023)	**Asset owners › Sector**	"A coalition of 192 global institutional investors representing $1.3 trillion USD in assets under management released a statement today calling on apparel companies sourcing from Bangladesh and Pakistan to strengthen their implementation of human rights due diligence to effectively embed their corporate responsibility to respect human rights. Following the 2013 collapse of Rana Plaza where 1,134 workers lost their lives and 2,500 more were injured, the Accord on Fire and Building Safety in Bangladesh (Bangladesh Accord), a landmark legally binding agreement between global brands and unions to reform the sector and create safe factories, was born. Directly following the collapse of Rana Plaza, the Interfaith Center on Corporate Responsibility (ICCR) formed the Bangladesh Investor Initiative – comprising over 200 institutional investors with over $4 trillion in assets under management and advisement – to press global companies sourcing in Bangladesh to become directly involved in helping to reform the Bangladesh apparel sector by joining the Accord. In the ten years since, this group of investors has supported the Accord's work to create workplaces that protect and respect the lives of workers and help mitigate the risks to companies and their investors."	Collaborative & Expertise
AP2, The Church of England Pensions Board AP 2 Sustainability Report (2020)	**Asset owners › Sector**	"Following the collapse of the Vale-owned dam in Brumadinho, Brazil, in January 2019 and its tragic consequences, including loss of life, loss of livelihood and catastrophic environmental destruction, the Council on Ethics, the Church of England Pensions Board and investors all over the world launched a collaboration to focus on safety in the mining industry. The parties to the investor collaboration have more than SEK 10,000 billion in assets under management. Their demand was for improved safety at mine tailings dams and for a global public database (www.grida.no) of all tailings dams to be set up, to be used by communities, governments, civil society organisations and investors. Letters were sent to 680 mining companies, calling for them to publish technical information for every tailings dam that they fully own or co-own. The Council on Ethics and the Church of England's Pensions Board were also PRI's (Principles for Responsible Investment) representatives in an international working group that has worked to deliver a global safety standard for mine tailings dams. The global database of all tailings dams was in place in January 2020. The next step, the creation of a common global standard for tailings dams, was completed in June 2020." (p. 18)	Collaborative & Expertise & Podium Power

ATP Livslang Pension Investor Alliance for Human Rights, Investor Toolkit on Human Rights (2020)	**Asset owner › Investee**	"In December 2019, the Danish pension fund ATP decided to divest from the mining company Grupo Mexico after eight months of failed attempts to engage with the company over a new tailings dam. The new dam, which is to be located at the Buenavista copper mine, the site of an environmental disaster in August 2014, poses a danger to the environment and people of the state of Sonora. According to ATP, the fund normally engages with companies on ESG matters, rather than divesting. However, ATP expressed concern that an investment in Grupo Mexico would not allow the fund to live up to its commitment to the OECD Guidelines for Multinational Enterprises." (p. 33)	Relationship & Commercial

ANNEX 2
RESOURCES

Authoritative interpretations and guidance on human rights and the financial sector

Organisation for Economic Cooperation and Development (OECD), Responsible Business Conduct Due Diligence for Project and Asset finance transactions (2022)

UN Human Rights Office, Advice regarding the application of the UNGPs where private sector banks act as nominee shareholders (2021)

OECD, Responsible Business Conduct Due Diligence for Responsible Corporate Lending and Securities Underwriting (2019)

OECD, Responsible Business Conduct Due Diligence for Institutional Investors (2017)

UN Human Rights Office, Advice regarding the application of the UNGPs in the context of the banking sector (2017)

OECD, Scope and application of 'business relationships' in the financial sector under the OECD Guidelines for Multinational Enterprises (2014)

UN Human Rights Office, Advice regarding the UNGPs and the financial sector (2013)

UN Human Rights Office, Clarification on the applicability of the UNGPs to minority shareholdings of institutional investors (2013)

Other resources

UN Working Group on Business and Human Rights, Report on Investors, ESG and Human Rights (2024)

World Benchmarking Alliance, Financial System Benchmark (2025)

BankTrack Global Human Rights Benchmark (2024)

Practical toolkits and resources

Danish Institute for Human Rights, Fit for Purpose (2024)

The Responsible Investment Association Australasia, Investor toolkit: human rights in global value chains (2025)

Rights Co-Lab, Investor human rights and environmental due diligence precision tools (2025)

UNEP FI, Human Rights Toolkit for Financial Institutions (2024)

The Responsible Investment Association Australasia, Investor Toolkit on human rights & armed conflict (2023)

The Dutch Pension Funds Agreement on Responsible Investment, Toolbox for the Dutch Pension Funds Agreement on Responsible Investment (2022)

Investor Alliance for Human Rights, the Business & Human Rights Resource Centre, and the International Service for Human Rights, Safeguarding Human Rights Defenders: Practical Guidance for Investors (2020)

Investor Alliance for Human Rights, Investor Toolkit on Human Rights (2020)

Principles for Responsible Investment, Why And How Investors Should Act on Human Rights (2020)

Shift, Financial Institutions and Remedy: Myths and Misconceptions (2021)

Shift, Using Leverage to Drive Better Outcomes for People (2021)

BSR, Human Rights Roadmap for Transforming Finance (2022)

Shift, Investor E-learning: Foundations of Investor Respect for Rights (2025)

Shift, Enhancing the S in ESG: Tools for Investors and Lenders to Drive Better Evaluation and Engagement on Human Rights (2022)

Shift, Tackling Child Labor: A Guide for Financial Institutions (2024)

BSR

DANISH INSTITUTE FOR HUMAN RIGHTS

Shift