

Examples of monitoring indicators

The focus of monitoring and relevant indicators will vary depending on transaction and portfolio characteristics. However, most FIs will focus on risks related to the selection of clients or investees (and/or external investment managers) and the performance of client or investee companies concerning human rights. This might include risks and impacts related to workers engaged by clients or investees and/or impacts on local communities.

Policy commitments

Example indicators
Policies • Number of portfolio companies with a human rights policy (or similar) aligned with the UNGPs • Formal investment / lending policy includes specific guidelines on human rights • List of human rights elements covered in formal investment / lending policy • Number / share / value of investments or assets under management covered by the institution's formal policies or guidelines on human rights • Human rights are integrated into other company policy commitments, such as climate change (e.g., just transition commitments)
Policy implementation • Senior level bodies / roles (board or executive) have formal oversight and responsibility for human rights elements of investment / lending policy • Specific internal / external roles responsible for implementing human rights elements of investment / lending policy • Are there specific KPIs related to human rights risks and impacts (and are this part of staff performance evaluation)? • Training for senior leadership on human rights issues
Disclosure • Human rights elements included in regular reporting from clients / investees • Human rights elements included in regular public reporting • Disclosure on number and type of human rights incidents / policy violations • Number of remediation plans underway/implemented

Portfolio management

Example indicators
• Number of portfolio companies with a human rights statement/policy aligned with the UNGPs • Number of portfolio companies implementing human rights due diligence processes aligned with the UNGPs • Number of portfolio companies providing for and cooperating in remediation on human rights impacts • Number of portfolio companies having in place operation and financial level reparation mechanisms aligned with UNGPs, • Number of portfolio companies participating in other type of grievance mechanism accessible to human rights victims • Number of portfolio companies publishing information on salient human rights issues and impacts, including their targets or achievements with respect to managing those issues • Number of portfolio companies publishing information on measures adopted to addressing impacts and main outcomes

- Number of portfolio companies using indicators to track effectiveness of their human rights actions
- Human rights criteria in selection / exclusion of investees and/or external investment managers
- Human rights criteria / performance are included in monitoring of investees and/or external investment managers.
- Share of investees / external asset managers that have their own express commitments to human rights and have identified actions for implementing those commitments

Risk management

Example indicators

- Human rights risks / adverse impacts identified in relation to financing operations during the reporting period
- Number / type of escalation measures in cases of identified human rights risk / unsatisfactory human rights performance
- Description of human rights due diligence processes / actions
- Description of actions taken in response to specific human rights risk issues, impacts, or related incidences during reporting period
- Description of any external stakeholder engagement on human rights issues, including with affected stakeholders
- Number of external stakeholder engagement disaggregated by type of stakeholder and human rights related issue addressed
- Number of client engagement and human rights-related issue addressed
- Number of human rights complaints disaggregated by type of affected stakeholder and human rights-related issue, and the status of progress