

## A Rights-Based Approach to Sustainable Finance

Geneva, 17 October 2017

Since the unanimous endorsement of the UN Guiding Principles on Business and Human Rights (UNGPs), various stakeholder groups – businesses, civil society, intergovernmental platforms – have been working on clarifying the practical implications of the ‘responsibility to respect human rights’ for financial institutions. At the same time, in their journey to sustainability, financial institutions are increasingly showing willingness to contribute to the achievement of global priorities such as the Sustainable Development Goals and the Paris Agreement. How do these efforts come together in a coherent human rights-aligned sustainable finance agenda? The session provided an overview of industry efforts from the region to advance the implementation of the UNGPs and discussed how to connect - from a human rights perspective - the various sustainability-driven actions of financial institutions, to ultimately arrive at an inclusive, rights-based sustainable finance agenda.

The session took the shape of a panel discussion with the industry and wider stakeholder community on the current trends, challenges and practices on applying a rights-based approach in sustainable finance. Participants were also introduced to the [Corporate Human Rights Benchmark](#) (CHRB), the first results of which were released in 2017.

### Key session takeaways

- 2017 has been a busy year in the banking and human rights field in Europe. Various initiatives led by, or with strong participation of, the finance industry worked towards better understanding the practical implications of the UNGPs in the banking sector. The Dutch Banking Sector Agreement on Human Rights stands out for its positive multi-stakeholder approach, commitment and openness needed to tackle some of the most challenging key points of the UNGPs implementation, including access to remedy. UNEP FI is keen on learning from the deliberations of this country platform and share its conclusions with its wider banking membership.
- In the insurance sector, several frameworks are applicable from a ESG integration standpoint; however further clarification of the specificity of ‘human rights’ due diligence as part of a more general ESG risk approach is needed. Legislation and public pressure would be two key levers for bringing the topic further into the industry, through explicit and coherent reference to ‘human rights’ language.
- At institutional level, both in the banking and insurance sectors, there is progress with gradually instilling a corporate culture that recognizes human rights, as well with expanding and deepening the due diligence process to include human rights issues. A common challenge constitutes the need to shift from screening human rights risks through a ‘materiality lens’ towards one that focuses on end impacts on people.
- While the UNGPs set a standard, understanding actual human rights performance is a complex issue. The CHRB provides financial institutions with a tool for engagement with clients and investees based on a human rights performance assessment. Financial institutions were called to give feedback on areas for CHBR improvement (sectoral scope, methodology, etc.), for a better and more tailored finance sector use.
- Governments need and increasingly involve private finance in achieving their sustainability targets. The links between the SDGs, the Paris Agreement and UNGPs are now discussed in high-level political fora. While the private sector commits under these individual frameworks, bringing coherence at the level of their implementation is yet to be done. Companies should be involved in related public discussions.

### Speakers

- Maria Anne van Dijk, Head of Environmental Social & Ethical Risk & Policy, ABN AMRO
- Lucia Ruchner, Senior Consultant Corporate Responsibility, Munich Re
- Marc Bichler, Luxembourg Ambassador-at-Large for Human Rights and Climate Change, Ministry of Foreign Relations, Luxembourg
- Daniel Neale, Programme Director, Corporate Human Rights Benchmark

**Moderator:** Sabina Timco Iacazzi, Human Rights and Social Issues Lead, UNEP Finance Initiative