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Social and Human Rights Strategy 2022/23

November 2022

About this strategy

UNEP FI works with more than 400 members—banks, insurers and investors—and over 100 supporting institutions—to help create a financial sector that serves people and planet while delivering positive impacts.

The Social and Human Rights team supports the work of UNEP FI by ensuring alignment with the three core values of the United Nations—human rights, inclusion, and gender equality.

This document aims to contribute to achieving UNEP FI’s vision, mission and strategy for 2022–2025. The work plan runs on an annual basis.

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Contents

Introduction..... 4

About UNEP FI..... 5

Social and Human Rights 6

Priority areas for 2023..... 8

Introduction

On July 28, 2022, the United Nations (UN) General Assembly approved a resolution affirming that every human has the right to access a clean, healthy, and sustainable environment.¹ The UN Secretary-General affirmed that the newly recognised right will be crucial for tackling the “triple planetary crisis” of climate change, biodiversity loss and pollution. At the same time, the “triple planetary crisis” exposed human rights concerns and exacerbated deep fragilities and inequalities in our societies. Those most at risk are people and communities in vulnerable and marginalised situations.

The UN Resolution demonstrates a growing recognition that human rights and the environment are inextricably intertwined.

Financial institutions are key to ensuring social considerations are properly incorporated into the sustainability agenda.

They can contribute to the long-term promotion of human rights and the achievement of the 2030 agenda for sustainable development, by integrating social and human rights considerations into their decision-making, and through engaging in due diligence to identify, avoid, mitigate and remediate social and human rights risks in their portfolios. Finance institutions also play an important role in investing in companies and projects that improve financial health and inclusion, promote decent work, and contribute to a just transition that leaves no one behind.

The UNEP FI Social and Human Rights Strategy builds on the work already being done by UNEP FI and aligns with UNEP’s mission of “inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations.

1 [UN General Assembly declares access to clean and healthy environment a universal human right | UN News](#)



About UNEP FI

The UNEP FI was founded in 1992 as a partnership between UNEP and financial institutions across the globe to catalyse action to support the transition to more sustainable and inclusive economies. Since then, UNEP FI has worked to align the financial sector with the global priorities defined by the UN, through the development of the Principles for Responsible Investment (2006), the Principles for Sustainable Insurance (2012) and the Principles for Responsible Banking (2019).

Today, UNEP FI works with more than 400 members in the financial industry to drive institutional and systemic change across six key thematic areas:

- Climate Change
- Nature
- Pollution and Circular Economy
- Impact and Sustainable Development Goals
- Social and Human Rights
- Policy and Regulation

Social and Human Rights

UNEP FI's Commitment to Social and Human Rights

The UNEP FI's strategy for 2022–25 pledged to strengthen UNEP FI's alignment with the UN and the UNEP as one of its five strategic drivers leading to systemic change.

As part of this process of alignment, UNEP FI committed to integrating social objectives into broader work on sustainable finance. This commitment brings UNEP FI's work plan in alignment with the three guiding principles of the 2030 Agenda for Sustainable Development, which are:



Human rights-based approach



Leave no one behind



Gender equality and women's empowerment

Social and human rights considerations have been part of UNEP FI's work stream since 2006. The main goals of UNEP FI's work in this area have been to:

- Social and human rights considerations have been part of UNEP FI's work stream since 2006. The main goals of UNEP FI's work in this area have been to:
- Develop an understanding of how social and human rights apply to financial institutions, so that finance professionals are equipped to make responsible decisions.
- Develop practical tools and guidance that could be used by finance professionals to assess, prevent, mitigate, and address its human rights-related risks and impacts.

UNEP FI regularly incorporates social and human rights considerations into its work across all workstreams. The most recent examples of this are the inclusion of social risk-related questions in the Principles of Responsible Banking (PRB) reporting template. In addition, the Principles for Sustainable Insurance (PSI) included social issues in their recently launched report on *"Managing Environmental, Social and Governance Risks in Life and the Health Insurance Business"*.

Work plan

The Social and Human Rights team work plan has been divided into three thematic areas in line with the three UN guiding principles developed by the 2030 Agenda.

These three areas are:

Human Rights



Human rights-based approach

Social Inclusion



Leave no one behind

Gender Equality



Gender equality and women's empowerment

Within each of these three thematic areas we will work across four core action areas in line with the UNEP Policy Guidance on Environment, Human Rights and Addressing Inequalities. The Social and Human Rights team will:

<p>Corporate: Ensure that the values of human rights, social inclusion, and gender equality are upheld and promoted in the internal UNEP culture and reflected in UNEP FI's words and actions.</p>	<p>Normative: Strengthen the linkages between research and action by disseminating relevant information, recommendations and best practice that can be used by members to inform their decision making around human rights, social inclusion and gender.</p>
<p>Operational: Work with members to integrate consideration of human rights, social inclusion, and gender equality into their operations.</p>	<p>Partnerships: Catalyze transformation by partnering with key stakeholders.</p>

Priority areas for 2023

Just Transition Guidelines

In 2023 UNEP FI will launch a new project to strengthen the banking and insurance industries role in supporting a just transition. This is a critical focus as economies accelerate action to meet the 2015 Paris Agreement commitments on climate change and align to the 2030 agenda² and targets set out by the Sustainable Development Goals (SDGs).

The Paris Agreement stated the imperative of a just transition of the workforce—including decent work and quality jobs—as essential to climate action. The project’s focus is to clarify the implications of a just transition for the banking and insurance sector and establish guidelines that provide a practical roadmap for an inclusive and equitable climate financing for mitigation, adaptation, and resilience that aligns with societal goals and the SDGs.

Human Rights Resource Kit

In 2023 UNEP FI will develop a Human Rights Resource Kit for members.

UNEP FI previously launched a [Human Rights Guidance Tool](#) in 2007. The tool was updated in 2011 and fully revised in 2014.

The information in the tool is currently outdated, and the tool is not widely used by members or the general public. This task proposes to revise the tool into a resource kit that can be used by UNEP FI members to assess how to better align with the United Principles of Business and Human Rights (UNGPs).

This resource kit will draw on existing resources and include a step-by step-approach, with a clear user design experience.

Financial Health and Inclusion

Financial health and inclusion was identified by signatory banks in the 2020 PRB Collective Progress Report, as one of the top three sustainability challenges where they can have the most impact. In December 2021 the [PRB Commitment to Financial Health and Inclusion](#) was launched. The committee is a first-of-its-kind commitment to promote universal financial inclusion and foster a banking sector that supports the financial health of customers.

2 un.org/sustainabledevelopment/development-agenda/

In 2022 the second edition of the [Guidance on Financial Health & Inclusion Target Setting](#) was launched, supporting signatory banks in their efforts to set targets in line with the requirements of the Principles for Responsible Banking. Said edition, was created by the Working Group on Financial Health and Inclusion, and includes a common framework for actions and targets in this area of impact.

As a common foundation has been laid, and most of the banks have their target deadline next year, 2023 will focus on strengthening the capacity of PRB banks, specially those that signed the Commitment, to measure impact and to deploy impact-driven actions not just for people but for businesses as well. To achieve this, the work will be three-fold: (1) To complete the standard-setting work, the Working Group will aim to define a holistic metric for financial health both for people/households and businesses. (2) A Learning Community, which is expected to commence in December 2022, will hold bi-monthly sessions. The aim is to go beyond the standard setting work into the learning and collaboration work, allowing peer learning and expert discussion and ideation. (3) Workshops for target setting as well as fast-tracking 1:1 sessions will be held throughout the year to better support banks that have their target-setting deadline next year (May/June for the Commitment and September for PRB).

Gender mainstreaming and target setting

Gender equality is one of the guiding principles of the 2030 Agenda, and one of the main areas included in the UNEP Social and Human Rights Strategy. The Social and Human Rights team will ensure that gender is mainstreamed across different UNEP FI publications, and that our members are aware of the nexus between gender and other thematic issues.

A core part of the work of the Social and Human Rights team is to provide guidance and assistance to members on meeting gender targets and indicators. Following the [Guidance on Gender Equality Target Setting](#) the Social and Human Rights team, together with the PRB team, will create a database of gender target and indicators, as well as relevant resources that members can use. This will be presented in a user-friendly page within the UNEP FI website available only for members, similar to the website created for Financial Health and Inclusion. A target-setting database will also be created for decent work and other relevant social areas.

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UNEP Finance Initiative brings together a large network of banks, insurers and investors that collectively catalyses action across the financial system to deliver more sustainable global economies. For more than 30 years the initiative has been connecting the UN with financial institutions from around the world to shape the sustainable finance agenda. We've established the world's foremost sustainability frameworks that help the finance industry address global environmental, social and governance (ESG) challenges.

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