

# POLICY BRIEFING

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## UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

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**United Nations**  
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## ABOUT THE PRI

The Principles for Responsible Investment (PRI) works with its international network of signatories to put the six Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance (ESG) issues and to support signatories in integrating these issues into investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system. More information: [www.unpri.org](http://www.unpri.org)

## ABOUT THIS BRIEFING

This briefing summarises key elements of the [United Nations Guiding Principles on Business and Human Rights](#) which establish a global framework for preventing and addressing the risk of adverse human rights impacts linked to business activity.

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## INTRODUCTION

Following World War II, the international community sought to establish a new framework for peace and human rights, leading to the creation of the United Nations in 1945 with a foundational commitment to human rights principles.

In 1948, the United Nations General Assembly adopted the [Universal Declaration of Human Rights](#) (UDHR). UDHR is a foundational document proclaiming the inalienable rights to which every human being is entitled, regardless of race, colour, religion, sex, language, political or other opinion, national or social origin, property, birth, or other status.

The implementation of UDHR by companies, especially those operating in areas with weak human rights protections, was not clearly understood or effectively applied. As such, in 2005, the United Nations appointed John Ruggie as the Special Representative of the Secretary-General on human rights and transnational corporations and other business enterprises.

After six years of research, consultations, and pilot projects, Ruggie's work culminated in the creation of the [United Nations Guiding Principles on Business and Human Rights](#).

The principles were developed to provide a global standard for preventing and addressing the risk of adverse human rights impacts linked to business activity. Unanimously endorsed by the UN Human Rights Council in 2011, the principles are based on the "Protect, Respect and Remedy" Framework, which outlines the respective roles of states and businesses in safeguarding human rights.

The principles are grounded in the recognition of states' existing obligations to respect, protect, and fulfil human rights and fundamental freedoms, the role of business enterprises in society, and the need for rights and obligations to be matched to appropriate and effective remedies when breached. They apply to all states and all business enterprises, regardless of their size, sector, location, ownership, and structure.

The principles aim to enhance standards and practices with regard to business and human rights. They should be universally implemented, with particular attention to the rights and needs of individuals from groups or populations at heightened risk of becoming vulnerable or marginalised.

## KEY ELEMENTS

The Guiding Principles consist of three pillars:

- I. The state duty to protect human rights.
- II. The corporate responsibility to respect human rights.
- III. Access to remedy.

## SCOPE

The Guiding Principles apply to:

- All states.
- All business enterprises, both transnational and others, regardless of their size, sector, location, ownership, and structure.

## REQUIREMENTS

States have a duty to protect human rights by taking appropriate steps to prevent, investigate, punish, and redress human rights abuses by third parties, including business enterprises. This requires effective policies, legislation, regulations, and adjudication. States should set clear expectations for businesses to respect human rights throughout their operations and provide guidance and support to help them do so. States should take additional steps to protect against human rights abuses by state-owned or controlled enterprises, or those receiving substantial support from state agencies.

Business enterprises have a responsibility to respect human rights, which means avoiding infringing on the rights of others and addressing adverse human rights impacts. This responsibility exists independently of states' abilities or willingness to fulfil their own human rights obligations. Businesses should have policies and processes in place to meet this responsibility, including a policy commitment to respect human rights, human rights due diligence processes, and processes for remediation of adverse impacts.

Human rights due diligence involves assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. "Risk-based" due diligence is a strategic approach where organisations prioritise addressing potential adverse impacts by their severity and the difficulty of remediation, focusing first on the most critical issues. It involves assessing an organisation's leverage—their capacity to influence and mitigate these risks—within their operations or through business relationships. This process should cover adverse human rights impacts that the business may cause or contribute to through its own activities, or which may be directly linked to its operations, products, or services by its business relationships.

Businesses should also establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted. These mechanisms should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning.

Both states and businesses have roles to play in ensuring access to effective remedy for those affected by business-related human rights abuses. This includes state-based judicial and non-judicial grievance mechanisms, as well as non-state-based grievance mechanisms such as those administered by businesses, industry associations, or multi-stakeholder groups.

Collaboration between states, businesses, civil society, and other stakeholders is crucial for the effective implementation of the Guiding Principles. This includes raising awareness, building capacity, and sharing best practices to address challenges and promote a shared understanding of the respective roles and responsibilities of all actors in managing business and human rights issues.

## PENALTIES

The UN does not have enforcement rights to ensure compliance with the Guiding Principles. However, the Guiding Principles emphasise the importance of effective state-based and non-state-based grievance mechanisms to enable remediation of adverse human rights impacts. This includes, national legislation and policy guidance, as well as judicial and non-judicial processes.

[National Contact Points](#) (NCPs) under the [OECD Guidelines for Multinational Enterprises](#) are an example of state-based non-judicial grievance mechanisms that can play a role in complementing and supplementing judicial mechanisms.

## EXAMPLES OF UNGPS IN LEGISLATION

The UNGPs have informed the development of many laws worldwide and they are increasingly referenced explicitly in the text. For example:

- The Japan [Guidelines on Respecting Human Rights in Responsible Supply Chains](#) cross reference the requirements with the relevant principles under the UNGPs (page 8).
- The Swiss [Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour](#) allows undertakings to be exempt from due diligence and reporting obligations if they already comply with the UNGPs.
- The EU Corporate Sustainability Due Diligence Directive ([CSDDD](#)) and Corporate Sustainability Reporting Directive ([CSRD](#)) both follow the risk-based approach of the UNGPs. The UNGPs are also referenced throughout the [European Sustainability Reporting Standards](#) which specify what undertakings in scope of the CSRD must disclose. For more information on the CSDDD, read PRI's [investor briefing](#).

## TAKING STOCK OF INVESTOR IMPLEMENTATION OF THE GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

In 2021 the UN Working Group on the issue of human rights and transnational corporations and other business enterprises published a report entitled "[Business and Human Rights: Towards a Decade of Global Implementation](#)". The report "[Taking stock of investor implementation of the Guiding Principles on Business and Human Rights](#)" is an addendum to the former.

It sets out the progress made over the 10 years since the UNGPs adoption, and the remaining gaps in investor uptake. Some key points highlighted are most investors continue to have significant capacity challenges; there's progress on screening human rights risks, yet the data dilemma persists; and access to remedy for victims requires urgent attention.

Based on these findings, the UN Working Group sets out key recommendations for increasing investor action in the next decade. This includes States mandating corporates (investees) and institutional investors to conduct and disclose human rights due diligence efforts in line with the Guiding Principles.