

PRI REPORTING GUIDANCE ON HUMAN RIGHTS

May 2023

PRI Association

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United Nations
Global Compact

INTRODUCTION

Just like businesses, institutional investors have a responsibility to respect human rights. Given investors' central position in financing the economy and their unparalleled influence over global business, they have a vital role to play in speeding and scaling up corporate respect for human rights worldwide.

The United Nations Guiding Principles on Business and Human Rights (UNGPs) requires institutional investors to exercise a three-part responsibility with regards to human rights:

- establish a policy commitment to respect human rights;
- implement due diligence processes to prevent and mitigate actual and potential negative human rights outcomes; and
- enable or provide access to remedy for people affected by their investment decisions.

Leading investors recognise that meeting international standards such as the UNGPs leads to better financial risk management and alignment of their activities with the evolving demands of beneficiaries, clients, and regulators.

Many indicators in PRI's 2023 Reporting Framework allow investors to expand on how they consider and monitor social factors and human rights. Our new Policy, Governance and Strategy (PGS) module introduces four indicators solely focused on human rights (PGS49, 49.1, 49.2 and 50). These indicators are important to track progress on the UNGPs' implementation. In our Sustainability Outcomes (SO) module, investors can provide more details on their human rights activities via the free-text indicators.

While most human rights relevant indicators in the PGS and asset class modules (i.e., Real Estate, Private Equity, Infrastructure) are mandatory for PRI signatories to report on and are assessed (i.e., CORE); the new indicators solely focused on human rights and those on sustainability outcomes remain voluntary and won't be assessed (i.e., PLUS).

General resources

- The PRI's position paper on human rights:
 - [Why and how investors should act on human rights](#)
- The PRI's reporting framework resources:
 - [2023 Reporting Framework Glossary](#)
 - [2023 reporting modules](#)
 - [Reporting and Assessment timeline and updates page](#)

To support signatories who are about to report, or wish to review another institution’s responses, this reporting guidance:

- provides a full overview of human rights-relevant indicators across PRI Reporting modules;
- demonstrates how they correspond to the three-part responsibility outlined by the UNGPs;
- provides a list of resources relevant to the implementation of the UNGPs.

Table 1: Relevant human rights indicators in the PRI reporting modules¹ relative to UNGP requirements

Policy commitment	Due diligence process				Access to remedy
	Identify actual and potential negative outcomes for people	Prevent and mitigate	Track ongoing management	Communicate outcomes and actions taken	
PGS1, PGS2, PGS3, PGS6, PGS8, PGS9, PGS11.1, SAM8, RE9	PGS21, PGS47, PGS47.1, PGS47.2, PGS49, PGS49.1, PGS49.2, RE3.1, INF3.1, PE3.1, PE5	PGS20, PGS48, SO1, SO5, SO6, SO7, SO8, SO13, RE18, RE19, PE7	SO4, SO4.1, RE8, INF9, INF9.1, INF15, PE6, PE6.1	PGS16	PGS50

¹ PRI reporting modules include: PGS (policy, governance, and strategy); SAM (selection, appointment, and monitoring); RE (real estate); INF (infrastructure); PE (private equity); SO (sustainability outcomes)

HUMAN RIGHTS INDICATORS IN PRI REPORTING FRAMEWORK

**UNGP requirement:
Adopt a policy commitment to respect internationally recognised human rights**

UN Guiding Principle 16 states that investors should adopt a policy commitment to respect human rights that “(a) is approved at the most senior level of the business enterprise; (b) is informed by relevant internal and / or external expertise; (c) stipulates the enterprise’s human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services; (d) is publicly available and communicated internally and externally to all personnel, business partners and other relevant parties; (e) is reflected in operational policies and procedures necessary to embed it throughout the business enterprise”.

The relevant PRI indicators for UN Guiding Principle 16 are below:

Module	PRI indicator	CORE / PLUS	Relevance to human rights
Policy, Governance and Strategy	PGS1 – Which elements are covered in your formal responsible investment policy(ies)?	CORE	Investors’ policy commitment to respect internationally recognised human rights should be embedded throughout the organisation’s other policies and procedures. PGS1 and PGS2 can help investors understand whether they have adopted specific guidelines to reflect their policy commitment in their formal responsible investment policy(ies).
	PGS2 – Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?	CORE	
	PGS3 – Which elements of your formal responsible investment policy(ies) are publicly available?	CORE	PGS3 looks to understand whether investors’ guidelines that are relevant to human rights are communicated externally.
	PGS6 – Does your policy on (proxy) voting include voting principles and / or guidelines on specific ESG factors?	CORE	PGS6 looks to understand whether their commitment to respect human rights also informs their policy on (proxy) voting, through including specific voting principles and / or guidelines on social factors.

	PGS8 – What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?	CORE	Investors should ensure that their commitment to respect human rights informs their investment decisions. PGS8 and PGS9 aim to understand how much of the investor’s AUM is covered by dedicated guidelines on human rights or wider guidelines on ESG factors.
	PGS9 – What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?	CORE	
	PGS11.1 – Does your organisation’s senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?	CORE	Investors should ensure that their commitment to respect human rights and their related guidelines are supported at the most senior level of the organisation.
Selection, Appointment and Monitoring	SAM8 – Which responsible investment aspects does your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?	CORE	This indicator aims to understand whether the investor explicitly includes their commitment to respect human rights in their contracts with external investment managers for segregated mandates.
Real Estate	RE9 – What ESG requirements do you currently have in place for all development projects and major renovations?	CORE	This indicator aims to understand whether investors have set specific social requirements to help reduce the negative effects of constructing buildings / major renovations.

Improving practices – across asset classes

- Our [Investor human rights policy commitments: an overview](#) provides useful examples of investors’ human rights policy commitments that we believe are closely aligned with the UNGPs. You can filter the policies per investor type, asset mix and HQ.

**UNGP requirement:
Adopt due diligence processes**

UN Guiding Principles 17, 18, 19, 20 and 21 state that investors must carry out human rights due diligence “*in order to identify, prevent, mitigate and account for how they address their adverse human rights impacts*”. They further describe the process that should include: (1) identifying and assessing actual and potential negative human rights outcomes, (2) integrating and acting upon the findings, (3) tracking responses, and (4) communicating how impacts are addressed.

Relevant PRI indicators for these Principles are below:

1. Identify and assess actual and potential negative outcomes for people connected to investment activities

Module	PRI indicator	CORE / PLUS	Relevance to human rights
Policy, Governance and Strategy	PGS21 – How does your responsible investment approach influence your strategic asset allocation process?	CORE	PGS21 aims to understand whether investors incorporate human rights-related risks and opportunities into the assessment of expected asset class risks and returns. It considers human rights risks insofar as they are relevant to the delivery of risk-adjusted financial returns.
	PGS47 – Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?	CORE	PGS47 helps assess whether investors have identified the positive and / or negative effects of their investment activities on people and the planet. These effects can include actual and potential negative human rights outcomes for people.
	PGS47.1 – Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?	CORE	PGS47.1 aims to understand whether investors use widely recognised human rights frameworks, such as the UNGPs and the International Bill of Human Rights or other social frameworks such as the IFC Performance Standards, to identify and assess the effect of their investment activities on people.
	PGS47.2 – What are the primary methods that your organisation has used to determine the most important	CORE	PGS47.2 aims to ascertain how investors determine the most important outcomes their investment activities have on people and the planet. To be aligned with the UNGPs, investors’ human rights due diligence should, at a

	intended and unintended sustainability outcomes connected to its investment activities?		minimum, identify negative outcomes for people that are directly linked to their investment activities, consult relevant stakeholders and assess the severity of these outcomes to prioritise actions.
	PGS49 – During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?	PLUS	PGS49, PGS49.1 and PGS49.2 aim to unpack investors' human rights due diligence processes and understand how they identify and address actual and potential negative human rights outcomes. Human rights due diligence should involve understanding the human rights context of any potential and / or existing investments, identifying actual and potential risks to people connected to their investment activities, including those at heightened risk of harm, and consulting with relevant individuals and groups.
	PGS49.1 – During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?	PLUS	
	PGS49.2 – During the reporting year, what information sources did your organisation use to identify the actual and potential negative outcomes for people connected to its investment activities?	PLUS	
Real Estate	RE3.1 – During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential real estate investments?	CORE	This indicator can help understand whether investors use human rights-relevant standards and frameworks, such as the UNGPs, the SDGs and GRI, to conduct ESG materiality analysis of potential real estate investments.
Infrastructure	INF3.1 – During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential infrastructure investments?	CORE	This indicator can help understand whether investors use human rights-relevant standards and frameworks, such as the UNGPs, the SDGs and GRI, to conduct materiality analysis of ESG factors of potential infrastructure investments.
	INF15 – How do you ensure that appropriate stakeholder engagement is carried out during both due diligence for	PLUS	Investors should ensure that meaningful consultation with potentially affected groups and other relevant stakeholders are conducted throughout

	potential investments and the ongoing monitoring of existing investments?		their infrastructure projects. INF15 allow investors to describe how stakeholder engagement is carried out for their infrastructure investments.
Private Equity	PE3.1 – During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential private equity investments?	CORE	This indicator can help to ascertain whether investors use human rights-relevant standards and frameworks, such as the UNGPs, the SDGs and GRI, to conduct materiality analysis of ESG factors of potential private equity investments.
	PE5 – Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential private equity investments?	CORE	PE5 aims to understand the steps investors take to conduct due diligence on material ESG factors. Here, human rights risks will be considered insofar as they are a material factor to the delivery of risk-adjusted financial returns. Human rights due diligence should draw on reliable sources and ensure meaningful consultation with potentially affected groups and other relevant stakeholders.

2. Prevent and mitigate the actual and potential negative outcomes identified

Module	PRI indicator	CORE / PLUS	Relevance to human rights
Policy, Governance and Strategy	PGS20 – Which elements does your organisation-level exclusions cover?	CORE	PGS20 aims to understand the exclusion criteria that investors apply to their investments. Exclusions can be based on organisations' values and beliefs, regarding countries or sectors; or on severe international standards violations, for example. When it comes to human rights, investors' approaches to exclusions should be based on international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, etc.
	PGS48 – Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?	CORE – but not assessed	PGS48 aims to understand whether the investor has addressed the intended and / or unintended sustainability outcomes they have identified. When it comes to human rights, investors should make sure to use the findings from their human rights risk identification and take appropriate action to prevent and mitigate actual and potential negative outcomes on people.

			This indicator also unlocks the Sustainability Outcomes (PLUS) module which is voluntary to report on.
Sustainability Outcomes	SO1 – What specific sustainability outcomes connected to its investment activities has your organisation taken action on?	PLUS	SO1 aims to understand which sustainability outcomes the investor has decided to act on, and whether the investor has set targets or objectives to monitor progress. When investors identify actual and potential negative outcomes for people that are connected to their investment activities, they should take appropriate action.
	SO5 – During the reporting year, which of the following levers did your organisation use to take taction on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?	PLUS	SO5 aims to understand the levers the investor has used to act on the sustainability outcomes connected to their investment activities. When it comes to human rights, investors should use the appropriate levers to prevent and mitigate actual and potential negative outcomes, and to build leverage where past efforts have been unsuccessful.
	SO6 – During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?	PLUS	SO6 aims to understand how the investor uses capital allocation as one of the levers to take action on sustainability outcomes by changing exposure to a specific asset class or sector.
	SO7 – During the reporting year, did you use thematic bonds to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?	PLUS	Building on SO6, SO7 aims to understand if signatories use thematic bonds to take action sustainability outcomes. Investors may use thematic bonds to seek to change a human rights outcome. This could involve investing in specific social and / or SDG bonds.
	SO8 – During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?	PLUS	SO8 aims to understand how investors use stewardship with investees to make progress on sustainability outcomes. Investors’ policy commitment to respect human rights should inform all of their activities, including stewardship with investees. Many stewardship tools and activities can be used to address potential and actual human rights outcomes.
	SO13 – During the reporting year, to which collaborative initiatives did your organisation contribute to take action on	PLUS	Building on SO8, SO13 aims to understand whether and how the investor participates in collaborative initiatives to make progress on sustainability outcomes. Collaborative initiatives can help tackle negative human rights

	sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?		outcomes as it increases investor leverage. There are many ways for investors to take part in those initiatives, whether they seek to lead or support them, based on their resources and capacity.
	RE18 – How does your third-party property manager(s) engage with tenants?	CORE	When it comes to real-estate investments, tenants should be part of the stakeholder engagement undertaken by property managers. RE18 aims to understand what type of engagement the investor’s third-party property manager(s) conduct with tenants on social issues.
	RE19 – During the reporting year, how did you or the organisations operating on your behalf engage with the local community above and beyond what is required by relevant regulations for asset design, use and / or repurposing?	PLUS	Building on RE18, RE19 aims to understand the type of engagement and consultation real estate investors undertake with potentially affected groups and other relevant stakeholders, such as local communities.
Private Equity	PE7 – What processes do you have in place to help meet your targets on material ESG factors for your private equity investments?	CORE	PE7 aims to understand the processes and resources investors have to meet their targets on material ESG factors in private equity investments, including stakeholder engagement which is a key part of managing human rights issues.

3. Track ongoing management of human rights outcomes

Module	PRI indicator	CORE / PLUS	Relevance to human rights
Sustainability Outcomes	SO4 – Does your organisation track progress against your nearest-term sustainability outcome targets?	PLUS	SO4 aims to understand whether the investor tracks any progress they make on their nearest-term sustainability outcomes targets. To be closely aligned with the UNGPs, investors should track the effectiveness of their action in addressing negative outcomes for people.
	SO4.1 – During the reporting year, what qualitative or quantitative progress did your organisation achieve against your	PLUS	SO4.1 allows investors to describe the qualitative or quantitative progress they achieved against their nearest-term sustainability outcomes targets. When it comes to human rights outcomes, tracking progress should include both appropriate qualitative and quantitative indicators.

	nearest-term sustainability outcome targets?		
Real Estate	RE8 – How do you include material ESG factors when monitoring current third-party property managers?	CORE	RE8 aims to understand how investors examine third-party property managers' performance on material ESG factors. To be closely aligned with the UNGPs, investors should monitor the performance of both quantitative and qualitative targets on material social factors, as well as the progress of engagement with tenants and other relevant stakeholders across their real estate investments.
Infrastructure	INF9 – During the reporting year, did you track one or more KPIs on material ESG factors across your infrastructure investments?	CORE	INF9 aims to understand whether investors track KPIs on material ESG factors for their infrastructure assets. To be closely aligned with the UNGPs, investors should track KPIs on relevant social factors across their infrastructure investments.
	INF9.1 – Provide examples of KPIs on material ESG factors you tracked across your infrastructure investments during the reporting year.	PLUS	INF9.1 aims to understand which KPIs on material ESG factors investors track across their infrastructure investments. To be closely aligned with the UNGPs, investors should make relevant KPIs on material social factors publicly available.
Private Equity	PE6 – During the reporting year, did you track one or more KPIs on material ESG factors across your private equity investments?	CORE	This indicator aims to understand whether investors track KPIs on material ESG factors for their private equity assets. To be closely aligned with the UNGPs, investors should track KPIs on relevant social factors across their private equity investments.
	PE6.1 – Provide examples of KPIs on material ESG factors you tracked across your private equity investments during the reporting year.	PLUS	PE6.1 aims to understand which KPIs on material ESG factors investors track across their private equity investments. To be closely aligned with the UNGPs, investors should make relevant KPIs on material social factors publicly available.

4. Communicate publicly and to clients, beneficiaries, affected stakeholders about outcomes, and the actions taken

Module	PRI indicator	CORE / PLUS	Relevance to human rights
Policy, Governance and Strategy	PGS16 – What elements are included in your regular reporting to clients and / or beneficiaries for most of your AUM?	CORE	PGS16 aims to understand what information investors include in their regular reporting to clients and / or beneficiaries. To be closely aligned with the UNGPs, investors should report formally to their clients and / or beneficiaries on their human rights-related commitments and how they address negative human rights outcomes.

Improving practices – across asset classes

Risk identification

- Case studies such as [AP2](#), [ABN AMRO](#), [Dai-ichi Life](#) provide concrete examples of how signatories identify and assess human rights risks across their portfolio.

Data

- Our overview of [human rights benchmarks](#) illustrates the tools available to support institutional investors assess human rights performance of current and / or potential investee companies.
- Our report, [Managing human rights risks: what data do investor need?](#), guides investors on how to implement international human rights standards in their investment process and stewardship, and outlines data challenges and opportunities.

Stewardship

- PRI's [Advance](#) is a collaborative initiative that aims to advance human rights and positive outcomes for people through investor stewardship. Engagement will begin with two sectors (i.e., metals and mining, and renewables), across 40 companies.
- Case studies such as [Rathbones](#), [VFMC](#), [ACSI](#), [Storebrand Asset Management](#), [Öhman Fonder and Folksam](#) and [MN](#) provide examples of how signatories use voting and engagement with external managers, investee companies and policy makers to prevent and mitigate negative human rights outcomes across their portfolios.

Improving practices – asset classes specific

Listed equity

- Our case studies [EOS at Federated Hermes](#), [Rathbones](#), and [Öhman Fonder and Folksam](#) highlight how signatories can identify human rights issues in listed equity portfolios and use engagement to improve human rights outcomes.

Sovereign debt

- Our [Human rights in sovereign debt](#) paper provides guidance on how to implement human rights in sovereign debt investments and engagement decisions.
- Our case studies [AP2](#), [Jupiter](#) and [AkademikerPension](#) provide examples of how signatories integrate human rights considerations into their sovereign bonds and sovereign debts investments.

Private markets

- PRI held workshops with private markets investors to discuss how to implement the UNGPs. Participants discussed how to [identify and assess negative human rights outcomes](#), how to [prevent and mitigate negative human rights outcomes](#) and how to [track and communicate](#) their investees' as well as their own performance in relation to human rights.
- Our case studies [Polaris](#), [FSN Capital](#), [Abris Capital Partners](#), [Coller Capital](#), [PAI Partners](#) and [StepStone](#) provide examples of how signatories incorporate human rights throughout private equity investments.

Infrastructure

- Our case studies from [BlackRock](#), [Lighthouse Infrastructure](#) and [VFMC](#) provides examples of how to adopt social sustainability measures and conduct engagement on human rights in infrastructure investments.

**UNGP requirement:
Provide or enable access to remedy**

UN Guiding Principle 22 states that investors “*should provide for or cooperate in their remediation through legitimate process*” for people affected by their investment decisions when they are either contributing to or causing negative outcomes.

The relevant PRI indicators to track implementation of Principle 22 is below:

Module	PRI indicator	CORE / PLUS	Relevance to human rights
Policy, Governance and Strategy	PGS50 – During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?	PLUS	This indicator aims to understand whether signatories provide or enable, as relevant, access to remedy for people affected by negative human rights outcomes connected to their investment activities.

Improving practices – asset class specific

Private markets

- A workshop summary where participants discussed providing and enabling access to remedy will soon be available as [part of this series](#).