

## **Environmental, Social and Governance (ESG), Investments, and Human Rights: *An Input to the United Nations Working Group on Business and Human Rights***

Type of Stakeholder: Academic institution.

Respondent: Bárbara Dayana Brasil\* and Henrique Napoleão Alves\*\*  
on behalf of the [Facts and Norms Institute](#)<sup>‡</sup>,

Can we attribute responses to this questionnaire publicly? Yes.

### **Introduction**

The *United Nations Working Group on Business and Human Rights* has consistently underscored the profound influence that financial actors, particularly investors, exert in promoting the implementation of the UN Guiding Principles on Business and Human Rights (UNGPs).

Amidst the rapid expansion of Environmental, Social, and Governance (ESG) investing and the increasing reliance on related data, indexes, and funds, the Working Group has identified a critical need for clarity on how human rights should be integrated into ESG criteria and investment practices. This is particularly pertinent as human rights considerations, when taken into account, tend to be confined to the social component of ESG. The upcoming report aims to address these challenges, offering practical guidance to a wide array of stakeholders including States, financial institutions, businesses, and civil society.

Building upon its previous work and leveraging international documents and standards, the UN Working Group is now preparing a report that will delve into the intricacies of ESG financial products and services, examining associated standards, frameworks, policies, and practices from a human rights perspective. As a preparation for the report, the Working Group issued [a call for written inputs from relevant stakeholders, according to a predefined Questionnaire](#). This collaborative effort aims to enrich the report, ensuring it encapsulates a broad spectrum of perspectives and expertise.

The Call allows for stakeholders to freely respond to all or selected questions as per expertise, relevance or focus of work. The following input has been crafted by the Facts and Norms Institute. It encompasses selected questions according to the researcher's expertise and focus of work, according to desk research from publicly-available sources. Its aim is to contribute to the UN Working Group's important mandate and mission with relevant information and insight.

---

\* Researcher, [Facts and Norms Institute](#).

\*\* Director and Chief Researcher, [Facts and Norms Institute](#).

<sup>‡</sup> Disclaimer: author's views are exclusively on behalf of [Facts and Norms Institute](#).

## The Institute's work

The [Facts and Norms Institute](#) is an independent academic institution based in the Global South, with members present in all continents. The Institute's mission is straightforward: to promote a rational, human rights-based approach to social issues.

Since its establishment, the Institute conducted research about varied human rights topics, including human rights and infectious diseases; torture and torture prevention; religious intolerance, violence, and racism; social participation; transitional justice and sustainable development; the role of non-state actors (particularly businesses) in transitional justice; the human rights of persons with albinism; criminalization of persons living in the street and in extreme poverty; the protection of lawyers; the human rights of indigenous and rural communities to water and sanitation; militarization of indigenous and quilombola land; human rights and internet shutdowns; mercury, artisanal and small-scale gold-mining and human rights; contemporary forms of slavery and the informal economy; technology and contemporary forms of slavery; human rights and voluntourism; adequate housing and climate change; the extractive sector, just transition, and human rights; short-term enforced disappearances; human rights and Romani memory; sanctions and human rights; and the present input on ESG, investments, and human rights.

Suggested citation: **Brasil, Bárbara Dayana; Alves, Henrique Napoleão. Environmental, Social and Governance (ESG), Investments, and Human Rights: *An Input to the United Nations Working Group on Business and Human Rights*. Facts and Norms Institute, October 2023.**

---

**QUESTIONNAIRE**

---

***What do you understand Environmental, Social, and Governance (ESG) in finance to mean? How are human rights standards and frameworks considered by investors, if at all, in ESG?***

ESG encompasses a comprehensive approach to evaluating a company's impact on society, the environment, and its internal governance. The environmental aspect examines a company's interaction with the natural world, scrutinizing its resource use, waste management, and risk management strategies related to environmental challenges. Socially, ESG looks at the company's relationships with employees, suppliers, customers, and communities, assessing aspects such as working conditions, diversity, and community engagement. Governance involves evaluating the company's leadership, internal controls, shareholder rights, and transparency.

When focusing specifically on finance, ESG factors can play a pivotal role, *v.g.*, in guiding investment decisions, risk management, and strategic planning.

In terms of environmental criteria, financial analysts and investors assess how a company's operations impact the planet, considering factors such as its carbon footprint, energy efficiency, and waste management. Companies that adopt sustainable practices and seek to mitigate their environmental impact can be viewed as more forward-thinking and better positioned for long-term success, potentially offering more attractive investment opportunities.

From a social perspective, finance professionals examine how a company manages relationships with employees, suppliers, and customers. They look for strong labor rights, safe working conditions, and positive community interactions, as these elements can contribute to a company's stability and reputation. Companies that neglect their social responsibilities may face higher employee turnover, legal challenges, or consumer backlash, which can translate into financial risks.

Governance in finance involves scrutinizing a company's leadership and internal policies to ensure transparency, accountability, and protection of shareholder rights. Investors seek companies with ethical practices, robust oversight, and clear lines of accountability, as these factors can reduce the risk of fraud and corruption, preserving shareholder value.

Incorporating ESG factors in financial analysis helps identify companies that are not only financially sound but also responsible in their business practices. This approach aligns with the increasing demand from investors for opportunities that generate financial returns while also contributing positively to society and the environment.

Human rights standards are increasingly integral to ESG. They are more often thought of within the social component; yet, they are interrelated with environmental and governance aspects. Environmental degradation, *e.g.*, can impede human rights, such as the right to access clean water. Social responsibilities vis-à-vis labor rights and non-discrimination, for instance, are paramount, while strong governance is key to the adherence to human rights standards.

Investors can play a central role for human rights to be observed in the business world.<sup>1</sup> For such purpose, investors might utilize human rights frameworks, such as the United Nations Guiding Principles on Business and Human Rights, to evaluate a company's commitment to human rights. By incorporating human rights into ESG analysis, investors can identify potential risks and opportunities tied to a company's human rights practices, influencing its financial performance and reputation. This approach aligns with the growing trend of responsible investing, aiming for financial returns that also contribute positively to societal well-being.

***Which are the main types of investors using ESG approaches, for example, in decision-making or engagements? On what basis are they making decisions on human rights, climate change and other related matters?***

To fully grasp the intricacies of how different types of investors are incorporating ESG factors into their decision-making processes, in-depth empirical studies, possibly involving surveys or interviews, would provide valuable insights. This could be complemented by an analysis of publicly available documents, such as investment policies, sustainability reports, and ESG disclosures, to understand the frameworks and criteria being applied. Additionally, exploring case studies of specific investments could shed light on the practical application of ESG considerations in various contexts and across different types of investors. As a useful outline for such endeavor, we submit the following list of key actors to be considered, alongside with suggested guiding questions:

– *Major Institutional Investors* (e.g. pension funds, insurance companies, and endowments). How frequently do they utilize ESG criteria to evaluate long-term risks and opportunities? What are their primary objectives in ensuring the sustainability and ethical impact of their investments through ESG criteria? In what ways do human rights considerations influence their investment decisions? How do considerations regarding climate change play a role in their strategy to minimize risk and maximize returns? How does integrating ESG factors help them fulfill their fiduciary duties to beneficiaries?

– *Mutual Funds and Exchange-Traded Funds (ETFs)*. How do these funds go about selecting companies based on their performance in various ESG metrics? In what ways do these funds offer retail investors a straightforward option for responsible investing? What role do ESG rating agencies play in the decision-making process of these funds? How do the funds incorporate their internal assessment criteria into their investment decisions? To what extent do the data provided by ESG rating agencies influence the final investment choices of these funds?

– *Impact Investors* (i.e., investors who actively seek to generate positive social or environmental impacts alongside financial returns). What specific social or

---

<sup>1</sup> Andreas Follesdal. "Human Rights Investment Filters: a defense." In: Andreas Follesdal; et. al. *Human Rights, Corporate Complicity and Disinvestment*. Cambridge: Cambridge University Press, 2011, p. 149 ("investors carry a *prima facie* heavy burden of justification, possibly heavier than consumers. Multinational corporations often contribute valuable resources to the countries where they work. But some of these corporations are also morally complicit in the new threats to vital interests. Through their corporations, investors contribute to, and sometimes actively exploit, the incapacity of states to protect citizens' vital interests").

environmental outcomes are they aiming to achieve through their investments? How do they balance the pursuit of positive impacts with the need for financial returns? What methodologies do they employ to measure and track the social and environmental outcomes of their investments? How do human rights and climate change considerations factor into their investment selection and monitoring processes?

– *Sovereign Wealth Funds*. How do these state-owned investment pools incorporate ESG factors into their investment strategies? To what extent do national policy priorities, such as human rights protection or climate change mitigation, influence their investment decisions? What mechanisms do they have in place to ensure accountability and transparency in aligning their investments with ESG objectives?

– *Retail Investors*. How aware are retail investors of ESG factors, and how do these considerations influence their investment choices? What resources or tools do they rely on to assess the ESG performance of potential investments? How do they navigate the challenges of accessing reliable and consistent ESG information?

– *Family Offices and High-Net-Worth Individuals*. These investors often have the flexibility to make direct investments and can be very values-driven in their approach. How do they approach ESG, human rights, and climate change, in their investment portfolios? What resources or networks do they rely on for information and guidance?

– *Venture Capital and Private Equity Firms*. Given their influence in shaping the strategy and operations of their portfolio companies, how do these firms integrate ESG considerations, particularly human rights, and climate change, into their investment and management processes? Are they playing a role in fostering innovation and best practices in these areas?

– *Development Finance Institutions (DFIs)*. With their unique mandate to support economic development, how do DFIs integrate human rights and climate change considerations into their investment decisions? What role do they play in setting standards and providing guidance in these areas?

– *Asset Managers*. As managers of investment funds, how do asset managers integrate ESG considerations into their product offerings and investment processes? How do they work with their institutional clients to address human rights and climate change issues?

– *Proxy Advisory Firms*. Given their role in advising institutional investors on how to vote in shareholder meetings, how do these firms incorporate human rights and climate change considerations into their voting recommendations and engagement services?

– *ESG Consultants and Advisors*. As specialists in ESG integration, how do these consultants and advisors guide their clients in incorporating human rights and climate change considerations into their investment strategies and decision-making processes?

– *Rating Agencies and ESG Data Providers*. Given their role in evaluating and providing data on corporate ESG performance, how do these entities assess and report on human rights and climate change issues? What challenges do they face in providing accurate and reliable information in these areas?

– *Regulatory Bodies and Standard-Setting Organizations.* How are these entities shaping the landscape of ESG investing through their rule-making and standard-setting activities, particularly with respect to human rights and climate change? What role do they play in ensuring accountability and transparency in the investment industry's integration of these issues?

***To what extent do ESG approaches present constraints or opportunities for investors and businesses overall?***

There is a conceivable risk of ESG criteria and initiatives being co-opted or unduly influenced by large corporations and extensive bureaucracies, thus leading to a situation where only large companies with significant resources can navigate and comply with ESG requirements, to the detriment of smaller businesses. Large businesses might also use ESG as merely a marketing tool; they might exert undue influence over the bodies that set ESG standards and provide ratings; they might face limited or absent accountability for failing to meet ESG standards, undermining the integrity of ESG initiatives; among other possible problems.

From the perspective of opportunities, ESG approaches can offer numerous benefits for companies and investors. By adopting measures to improve performance in environmental, social, and governance aspects, potential damages to the company, community, people, and environment can be mitigated. This also aids in avoiding legal constraints and associated costs stemming from non-compliance with commitments and legal standards. A comprehensive due diligence process necessitates that companies adopt human rights policies, assess the impacts of their activities in advance, integrate human rights considerations across all sectors and departments, and continuously monitor and track their processes<sup>2</sup>.

Furthermore, investors and companies that transparently report their ESG measures can enhance their credibility with consumers, the community, and the market itself, contributing to a positive marketing effect and aligning with the trend towards a sustainable market and creative economy. Respecting human rights becomes a tangible commitment, demonstrated through specific policies and processes, including taking responsibility, conducting adequate due diligence, and establishing mechanisms for remediation of any adverse human rights impacts<sup>3</sup>.

***What responsibilities and capacity do ESG index and data providers have regarding the assessment of adverse human rights and environmental impacts, and how can ESG indexes and research products be improved to align with the UNGPs approach?***

ESG index and data providers hold a crucial position in evaluating corporate practices, shedding light on potential adverse impacts on human rights and the environment, and serving as invaluable resources for responsible investors. Their responsibilities entail conducting thorough and precise assessments, identifying potential negative impacts, and suggesting feasible mitigation strategies, all of which

---

<sup>2</sup> See, e.g., J. Ruggie. Report to the Human Rights Council. New York: Human Rights Council, 2008, p.17.

<sup>3</sup> Similarly: N. Jagers. Corporate Human Rights Obligation: in search of accountability. Antwerpen: Intersentia, 2002. p. 83.

necessitate robust capabilities such as access to reliable, up-to-date data, expertise in complex human rights and environmental issues, and proficiency in converting these evaluations into meaningful scores or ratings.

To enhance ESG, alignment with the *United Nations Guiding Principles on Business and Human Rights* (UNGPs) is imperative, integrating a human rights due diligence approach into evaluation processes to ensure not only the identification and assessment of adverse impacts but also the evaluation of companies' responses to such impacts. The credibility and reliability of ESG assessments would benefit from greater transparency in methodologies and scoring systems, and the standardization of assessment criteria across the industry, creating a uniform playing field and facilitating cross-company and cross-sector ESG performance comparability.

Additionally, engaging with a diverse range of stakeholders, including affected communities, civil society organizations, and experts, can enrich ESG assessments, ensuring a holistic and accurate evaluation that considers a variety of perspectives. As the ESG field is continually evolving, providers must be proactive in updating their methodologies, data sources, and assessment tools to stay abreast of emerging issues, best practices, and the latest scientific and technological developments. In doing so, ESG index and data providers can play a pivotal role in promoting responsible business practices, aiding investors in making informed decisions that uphold human rights and environmental sustainability.

***What State, regional, and international mechanisms and regulations exist to promote or restrict investment/financing using an ESG approach that takes human rights into account and how do they align with the UNGPs? How do these mechanisms and regulations promote or inhibit business respect for human rights consistent with the UNGPs?***

At the State level, *v.g.*, in France, in 2017 the Corporate Duty of Vigilance Law enacted in 2017 mandates major French corporations to identify and mitigate adverse impacts of their operations on human rights and the environment. These companies are required to release yearly vigilance plans that encompass not only their direct operations but also those of their controlled entities, suppliers, and subcontractors. The law permits victims and stakeholders to take legal action against companies that neglect these duties. Non-compliance with the law can lead to fines which may increase if the lack of a vigilance plan leads to preventable harm.<sup>4</sup>

In the UK, the 2015 Modern Slavery Act introduced a legal framework that requires companies to be transparent about the steps they are taking to eliminate slavery and human trafficking from their supply chains. This requirement aligns with the social responsibility and governance aspects of ESG by promoting ethical business practices and greater corporate accountability. The Act's stipulation for businesses to disclose their efforts to combat modern slavery in their annual statements encourages investors to consider human rights impacts in their investment decisions. Companies that demonstrate a strong commitment to human rights due diligence can be seen as lower risk and potentially more sustainable in the long-term, which is attractive to ESG-focused investors. Moreover, the Act's

---

<sup>4</sup> See, *e.g.*, <<https://respect.international/french-corporate-duty-of-vigilance-law-english-translation/>>.

requirements for transparency and its aim to prevent modern slavery can be seen as part of the due diligence process that companies should undertake to meet their responsibility under the UNGPs. However, while the Act promotes transparency, it might not go far enough in ensuring that companies are effectively penalized when they fail to address modern slavery issues in their operations and supply chains.<sup>5</sup>

In Brazil, the 1988 Constitution provides in Article 3 that: *“The fundamental objectives of the Federative Republic of Brazil are: I - build a free, fair and supportive society; II - guarantee national development; III - eradicate poverty and marginalization and reduce social and regional inequalities; IV - promote the good of all, without prejudice based on origin, race, sex, color, age and any other forms of discrimination.”* This provision is part of the Constitution’s first Section, or “Title I: On the Fundamental Principles”. Moreover, Article 170 that: *“The economic order, founded on the valuation of human work and free initiative, aims to ensure a dignified existence for all, according to the dictates of social justice, observed the following principles: I - national sovereignty; II - private property; III - social function of property; IV - free competition; V - consumer protection; VI - environmental protection; VII - reduction of regional and social inequalities; VIII - pursuit of full employment; IX - preferential treatment for small Brazilian-owned companies.”* These Constitutional norms can be read as aligned with ESG guidelines, where businesses are expected to operate in a way that is not only environmentally sustainable but also socially responsible and equitable. Furthermore, the provision for the free exercise of economic activity, coupled with the favored treatment of small businesses, supports an inclusive economic environment that is sensitive to ESG dimensions. In essence, Articles 3 and 170 can be read as a constitutional basis for important ESG concerns by integrating economic growth with environmental stewardship and social welfare, which is crucial for the long-term sustainability of businesses and the well-being of society.

More recently, in December 2022, the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários*, or CVM) unveiled Resolution No. 175, a long-awaited resolution which supersedes previous regulation about the constitution, functioning, and information dissemination of investment funds. The Resolution was understood as reflecting significant strides towards enhancing market practices, particularly by integrating the ESG framework into investment strategies. It echoes concerns over how to tackle greenwashing and the inclusion of carbon credits in the category of financial assets<sup>6</sup>.

Additionally, the Brazilian Congress is examining Bill 572/2022, an attempt to establish the national legislative framework for business and human rights and the guidelines for subsequent public policies on the matter. The bill stipulates that both the state and companies are mutually obligated to respect and not infringe upon human rights. They are also mandated to avoid any acts of collaboration, complicity, incitement, induction, or concealment in economic, financial, or service terms with other entities or individuals who breach human rights. These obligations are applicable to state agents and institutions, including the judiciary, as well as

---

<sup>5</sup> For a summary of the UK Modern Slavery Act 2015, its main characteristics and limitations, see, generally, <[https://en.wikipedia.org/wiki/Modern\\_Slavery\\_Act\\_2015](https://en.wikipedia.org/wiki/Modern_Slavery_Act_2015)>.

<sup>6</sup> See, v.g., <<https://exame.com/colunistas/impacto-social/os-efeitos-da-resolucao-cvm-175-no-avanco-da-agenda-esg-no-brasil/>>; <[https://www.ey.com/pt\\_br/financial-services/cvm175-desafios-industria-de-fundos](https://www.ey.com/pt_br/financial-services/cvm175-desafios-industria-de-fundos)>.



businesses and financial institutions operating within national borders or engaging in transnational activities. Companies based or economically active in Brazil are to be held accountable for any direct or indirect human rights violations stemming from their activities and their entire production chain. In addressing violations, the bill dictates that companies and state entities are to commit to full reparation of any breaches, ensuring complete access to all pertinent documents and information for the defense of the affected individuals' rights. Moreover, the reparative process must not lead to further infringements, and entities must cooperate in preventive actions and in compensating and repairing any harm done to the victims. Responsibilities extend to federal, state, district, and municipal governments to enforce the implementation of comprehensive reparation mechanisms for those affected by such violations and to formulate public policies, norms, and regulations to abide by the law<sup>7</sup>.

In the United States, there has been substantial growth in ESG funds and a significant increase in assets under management incorporating ESG criteria<sup>8</sup>. However, there is also a reportedly strong backlash at the state level with anti-ESG bills that could restrict investment in ESG-focused initiatives, potentially inhibiting business respect for human rights. In 2023 alone, at least 165 anti-ESG bills have been introduced across 37 U.S. states. Many of them seek to prohibit state agencies from doing business with firms that exclude industries they seek to protect, such as fossil fuels, or mandating that asset managers for state funds de-prioritize ESG criteria in making investment decisions. At the federal level, more than half a dozen anti-ESG hearings have been held in the House since May 2023. Most of the reported backlash focuses on the incorporation of climate change considerations into investment decisions, though it also refers to themes such as corporate efforts to address anti-LGBTQ+ biases<sup>9</sup>.

Despite these developments in the United States, at the global and international levels, the voluntary and inspirational *United Nations Principles for Responsible Investment* (PRI) have grown from 63 signatories in 2006 to more than

---

<sup>7</sup> Câmara dos Deputados. Projeto cria marco nacional sobre direitos humanos e empresas. Agência Câmara de Notícias, 1 April 2022. <<https://www.camara.leg.br/noticias/861969-projeto-cria-marco-nacional-sobre-direitos-humanos-e-empresas/>>.

<sup>8</sup> Marti Flacks; Hannah Norman. What Does the ESG Backlash Mean for Human Rights?. CSIS, 16 Aug. 2023. <<https://www.csis.org/analysis/what-does-esg-backlash-mean-human-rights>> (“The use of ESG factors in driving investment decisionmaking has grown exponentially in the last five years, with investments into ESG funds more than doubling between 2019 and 2020 alone. Pricewaterhouse Coopers estimates that U.S. assets under management that include ESG considerations will rise from \$4.5 trillion to \$10.5 trillion between 2021 and 2026. Bloomberg Intelligence reported that global ESG investments exceeded \$40 trillion in 2022 and predicted they will reach over \$50 trillion by 2025. By one estimate, 61 percent of North American investors applied ESG criteria to at least part of their portfolio in 2022. This rapid expansion is driven by an increasingly widespread view among investors that company policies related to environmental and social impacts and corporate governance materially influence the long-term value of potential investments. In an Edelman Trust Barometer survey of 700 global investors, 90 percent agreed with the statement that “companies that prioritize ESG integration represent better opportunities for long-term returns than those who do not.” Institutional investors, insurance companies, and banks have all argued strongly for the inclusion of environmental and social impacts in their financial decision-making. The track record of such decisions explains why: multiple studies have found that companies that address ESG issues (particularly those most salient to their business) outperform those that do not.”).

<sup>9</sup> Marti Flacks; Hannah Norman. What Does the ESG Backlash Mean for Human Rights?. CSIS, 16 Aug. 2023. <<https://www.csis.org/analysis/what-does-esg-backlash-mean-human-rights>>.

5,300 in the present, representing more than \$120 trillion in assets<sup>10</sup>. Another case in point is the *Equator Principles*. Formally established in 2003 and derived from the International Finance Corporation's environmental and social policies, the Equator Principles serve as a crucial framework for financial institutions to manage environmental and social risks associated with project finance. As of 2021, they have been adopted by 116 institutions in 37 countries. Despite the praise for enhancing responsible practices in the financial sector and providing a platform for stakeholder engagement, the Equator Principles have faced criticism. NGOs have questioned their impact and integrity, suggesting that adherence to the principles may not always prevent support for projects with significant environmental and social challenges<sup>11</sup>.

At the regional level, *v.g.*, in January 2023 the European Union's Corporate Sustainability Reporting Directive entered into force. The Directive mandates that companies disclose environmental and social risks and opportunities. Moreover, a Human Rights and Environmental Due Diligence Directive requiring companies doing business in Europe to assess human rights and environmental risks in their supply chains is expected to be adopted by the European Union in the coming months. According to Mari Flacks and Hannah Norman, because of these and other initiatives, strong stakeholder demand for companies to engage on environmental and social issues is likely to remain part of both investors and companies' long-term strategies.<sup>12</sup>

***How can States better advance human rights-compatible regulation and policies concerning investors and financial institutions generally in a manner that fulfils their international legal obligation to protect human rights?***

In fulfilling their international legal obligations to protect human rights, the following measures appear sensible for States to consider<sup>13</sup>:

---

<sup>10</sup> Marti Flacks; Hannah Norman. What Does the ESG Backlash Mean for Human Rights?. CSIS, 16 Aug. 2023. <<https://www.csis.org/analysis/what-does-esg-backlash-mean-human-rights>>.

<sup>11</sup> See, generally, <[https://en.wikipedia.org/wiki/Equator\\_Principles](https://en.wikipedia.org/wiki/Equator_Principles)>.

<sup>12</sup> Marti Flacks; Hannah Norman. What Does the ESG Backlash Mean for Human Rights?. CSIS, 16 Aug. 2023. <<https://www.csis.org/analysis/what-does-esg-backlash-mean-human-rights>>.

<sup>13</sup> This systematization benefits from, *v.g.*, United Nations Office of the High Commissioner for Human Rights. The Corporate Responsibility to Respect Human Rights, An Interpretive Guide. New York & Geneva: United Nations, 2012. [https://www.ohchr.org/Documents/publications/hr.puB.12.2\\_en.pdf](https://www.ohchr.org/Documents/publications/hr.puB.12.2_en.pdf); John Ruggie. United Nations Guiding Principles on Business and Human Rights. March 21, 2011, [https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf); Olga Martin-Ortega. Human rights due diligence for corporations: from voluntary standards to hard law at last?. Netherlands Quarterly of Human Rights 32 (1), 44-74, 2014; Barbara Dayana Brasil. *Direitos Humanos e Investimento Estrangeiro na Ordem Internacional: perspectivas para interação*. Ph.D. Thesis – University of Coimbra, Portugal. Coimbra, 2017; Rachel Chambers, Anil Yilmaz Vastardis. Human rights disclosure and due diligence laws: the role of regulatory oversight in ensuring corporate accountability. Chi. J. Int'l L. 21, 323, 2020; Chiara Macchi, Claire Bright. Hardening soft law: the implementation of human rights due diligence requirements in domestic legislation. Legal Sources in Business and Human Rights, 218-247, 2020; Nicolas Bueno, Claire Bright. Implementing human rights due diligence through corporate civil liability. International & Comparative Law Quarterly 69 (4), 789-818, 2020; Nicolas Bueno, Christine Kaufmann. The Swiss human rights due diligence legislation: Between law and politics. Business and Human Rights Journal 6 (3), 542-549, 2021; Carrie Brandon Elliott. Tax As A Component Of ESG. Forbes, 20 Oct. 2022, <https://www.forbes.com/sites/taxnotes/2022/10/20/tax-as-a-component-of-esg/>; United Nations Working Group on Business and Human Rights. Integrating Human Rights in Public Procurement:

<b>MEASURES</b>	<b>DESCRIPTION</b>
<b>Legislative Action</b>	<i>Mandate human rights due diligence through laws, requiring businesses to identify and mitigate human rights impacts, and report on these actions.</i>
<b>Regulatory Frameworks</b>	<i>Develop and enforce regulations that incorporate human rights considerations into financial institutions' compliance and reporting obligations, in a fair manner vis-à-vis small businesses.</i>
<b>Policy Coherence</b>	<i>Align national policies with the UNGPs, specifying steps for their business-related implementation.</i>
<b>Capacity-Building</b>	<i>Provide guidance, tools, and training to help investors and financial institutions integrate human rights into their decision-making.</i>
<b>Incentivization</b>	<i>Encourage responsible investment by incentives such as offering tax benefits or recognizing institutions with strong human rights records.</i>
<b>Grievance Mechanisms</b>	<i>Strengthen judicial and non-judicial remedies for individuals affected by investor and financial institution activities.</i>
<b>Public Procurement</b>	<i>Include human rights due diligence requirements in public procurement to influence corporate behavior.</i>
<b>International Cooperation</b>	<i>Work with international bodies to promote global human rights standards in business practices.</i>
<b>Oversight and Enforcement</b>	<i>Establish independent bodies to monitor financial institutions' human rights obligations, with enforcement for non-compliance.</i>
<b>Transparency and Reporting</b>	<i>Mandate public reporting on the human rights impacts of investment activities, developing indices and benchmarks for company ratings based on human rights performance.</i>
<b>Collaborative Policymaking</b>	<i>Engage stakeholders, including civil society and human rights experts, in the policy development process to ensure regulatory measures are well-informed and effective.</i>

a Focus on Latin America and the Caribbean. Information Note, April 2022 [https://empresasyderechoshumanos.org/wp-content/uploads/2022/04/INFORMATION-NOTE-on-PP\\_LAC\\_EN.pdf](https://empresasyderechoshumanos.org/wp-content/uploads/2022/04/INFORMATION-NOTE-on-PP_LAC_EN.pdf); OECD. OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. OECD Publishing, Paris, 2023; U.S. Securities and Exchange Commission. Climate-Related Disclosures/ESG Investing. 11 Sept. 2023, <https://www.sec.gov/securities-topics/climate-esg>; United Nations Global Compact. Sustainable Finance. S.d., <https://unglobalcompact.org/what-is-gc/our-work/financial>; International Finance Corporation. ESG Knowledge, Resources and Tools. S.d., <https://www.ifc.org/en/what-we-do/sector-expertise/sustainability/tools-for-clients>; The Danish Institute for Human Rights. Finance and human rights. <https://www.humanrights.dk/projects/finance-human-rights>.