

PRI REPORTING FRAMEWORK: ADVANCE PARTICIPANT REQUIREMENTS

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PRI Association

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United Nations
Global Compact

INTRODUCTION

Advance Initiative participants (both lead and collaborating investors) are required to have:

- a policy commitment to respect human rights; and
- a human rights due diligence process.

If these are not in place, participants are required to commit to work towards these goals within a year of joining the initiative. Advance participants' reporting in 2023 will still be reviewed by the PRI to track progress, but this has no effect on participants' eligibility.

These requirements align with the United Nations Guiding Principles on Business and Human Rights (UNGPs), which outline institutional investors' three-part responsibility to respect human rights¹:

- **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.

The policy commitment and due diligence processes should align with, at a minimum, the human rights included in the [International Bill of Human Rights](#) and [International Labour Organisation's Declaration on Fundamental Principles and Rights at Work](#) and the [eight core conventions](#). This requirement is outlined in the Advance Initiative's [terms of reference](#).

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 Advance requirements and UNGP implementation more broadly. While most human rights-relevant indicators in the PGS module are mandatory to report and be assessed on (i.e., CORE); the new indicators solely focused on human rights remain voluntary and will not be assessed (i.e., PLUS).

¹ Enable or provide access to remedy is not a specific requirement of the PRI Advance Initiative

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:
 - [PRI Reporting Guidance on Human Rights](#)
 - [2023 Reporting Framework Glossary](#)
 - [2023 Reporting Modules](#)
 - [Reporting and Assessment timeline and updates page](#)

To support Advance participants, this document provides:

- an overview of PRI reporting indicators that Advance participants are required to report on; and
- a list of resources to help Advance participants meet the initiative’s requirements.

This document outlines only the 10 indicators that Advance participants should report on to demonstrate they are meeting the requirements of the initiative. For a full list of human rights-relevant indicators, see [PRI Reporting Guidance on Human Rights](#).

HUMAN RIGHTS INDICATORS IN PRI REPORTING FRAMEWORK

UNGP requirement: Adopt a policy commitment to respect internationally recognised human rights			
<p>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”.</p>			
The relevant PRI indicators for Advance participants to track implementation of Principle 16 are below:			
Module	PRI indicator	CORE / PLUS	Dependent on
	PGS2 – Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?	CORE	PGS1

Policy, Governance and Strategy	PGS3 – Which elements of your formal responsible investment policy(ies) are publicly available?	CORE	PGS1, PGS2
	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	PGS2
	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	PGS1, PGS2, PGS11

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.

The relevant PRI indicators for Advance participants to track implementation of these Principles are below:

Module	PRI indicator	CORE / PLUS	Dependent on
	PGS47 – Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?	CORE	N/A

Policy, Governance and Strategy	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
	PGS47.2 – What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?	CORE	PGS47
	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	PGS47.2
	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	PGS47
	PGS16 – What elements are included in your regular reporting to clients and / or beneficiaries for most of your AUM?	CORE	N/A

Improving practices

Identifying risk

- Signatory case studies such as [AP2](#), [ABN AMRO](#), [Dai-ichi Life](#) provide examples of how signatories identify and assess human rights risks across their portfolios.
- [How to identify human rights risks: A practical guide in human rights due diligence](#)

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

- Case studies such as [EOS at Federated Hermes](#), [Rathbones](#), [Storebrand Asset Management](#) and [Öhman Fonder and Folksam](#) 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.