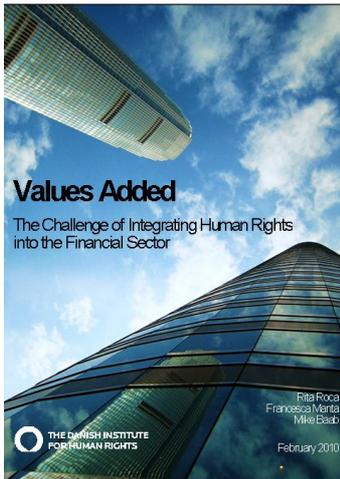


VALUES ADDED

The Challenge of Integrating Human Rights into the Financial Sector



The financial sector has a wide range of processes to assess investment risk. Though these processes have gradually broadened to include factors such as the environment and corruption, the broader range of social issues continues to play a relatively minor role in investment decision making..

In 'Values Added: The Challenge of Integrating Human Rights into the Financial Sector', The Human Rights and Business Project of the Danish Institute for Human Rights (DIHR) seeks to describe the status of social factors in investment decision-making, identify the barriers to full integration and offer practical recommendations for the human rights incorporation in financial sector processes.

The publication is the result of a study in which DIHR interviewed key stakeholders in a number of financial institutions throughout Europe to determine the current status of social issue integration and its prospects for the future.

Key findings include:

- ◆ The human rights responsibilities of financial sector actors remain undefined, and the impact of financial sector decision-making on stakeholders in local markets is underreported.
- ◆ The primary barrier to social issue integration into financial sector processes is the widespread perception that social issues are not material to financial valuation. This is exacerbated by the fact that many social issues and their impact on financial viability are difficult to quantify.
- ◆ Socially responsible investment practices, though they have made great strides in recent years, remain inconsistently applied.
- ◆ Many financial sector actors have weak in-house capacity to integrate social issues into their investment analysis and decision making. Human rights analysis is compartmentalised and outsourced to research providers.
- ◆ The wide variety of financial actors and institutions requires a wide and varied range of approaches to incorporation of social issues.

The full publication includes detailed methodology, findings and recommendations for further human rights and financial sector initiatives.

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'Values Added: The Challenge of Integrating Human Rights into the Financial Sector' will be released in full online Feb. 15, 2010. For more information contact Mike Baab: mba@humanrights.dk.