



# Stock exchange guidance on human rights disclosure

An analysis of human rights references in stock exchange ESG disclosure guidance



## Overview

This report provides an analysis of human rights references in ESG disclosure guidance documents produced by stock exchanges. Most of the stock exchanges (48 out of 56) mentioned human rights in their ESG disclosure guidance. When looking at references to direct, or specific, human rights instruments (corporate human rights policies, processes, and practices, etc.) less than half of the stock exchanges mention these. The Guiding Principles on Business and Human Rights is referenced less than a quarter of the time (16 out of 55). The findings indicate that stock exchange guidance to issuers on human rights disclosure is becoming a market practice, and that some areas of disclosure regarding more detailed issues are more infrequently mentioned.

## Key Findings

Most stock exchanges (48 out of 56) mention human rights in their ESG disclosure guidance.

16 out of 56 stock exchanges refer explicitly to the UN Guiding Principles on Business and Human Rights.

Many ESG disclosure guidance documents mention indirect terms related to human rights in bullet points without additional explanatory text.

## 1. Introduction

The United Nations’ Guiding Principles on Business and Human Rights recognize business enterprises as having a responsibility to respect human rights throughout their operations and business relationships. Stock exchanges are in a key position to influence improved corporate sustainability practices, including those relating to human rights. By providing guidance on human rights expectations for issuers that are aligned with the Guiding Principles, stock exchanges can help to ensure the mainstreaming of corporate human rights disclosure.

Disclosure on corporate human rights practices is an integral element of broader environmental, social, and governance (ESG) disclosure practices. This policy brief provides an analysis of human rights references in ESG disclosure guidance documents produced by stock exchanges. Analyzing human rights references in ESG disclosure guidance shows how stock exchanges are promoting human rights disclosure practices.

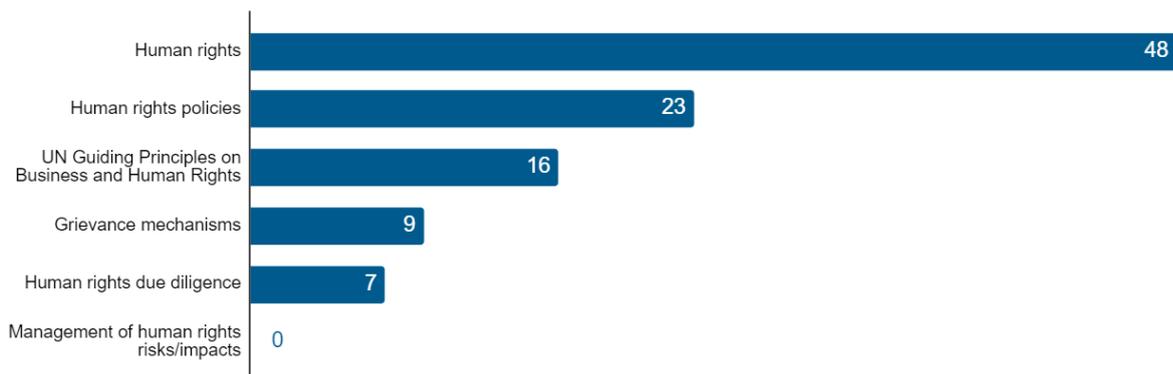
The sample used in this analysis is drawn from the SSE database of all stock exchange ESG guidance documents. This comprehensive database includes exchange guidance documents from around the world, including a mix of both developed and developing markets, and containing documents whose origin ranges from 2006 to 2020. Stock exchanges use these ESG disclosure guidance documents to educate listed companies on current best practices, regulatory requirements and market expectations.

## 2. Main findings

### Direct references

Most of the stock exchanges (48 out of 56) mentioned human rights in their ESG disclosure guidance (Figure 1). When looking at references to direct, or specific, human rights instruments (corporate human rights policies, processes, and practices, etc.) less than half of the stock exchanges mention these. The UN Guiding Principles on Business and Human Rights is referenced less than a quarter of the time (16 out of 55). “Human rights policies,” “grievance mechanisms,” and “human rights due diligence” were primarily mentioned once and limited to bullet points, while “management of human rights risks/impacts” was mentioned zero times. The Bursa Malaysia stock exchange has the most mentions (4 of 6) of direct terms related to human rights in their ESG guidance report.

**Figure 1: Direct references to human rights in stock exchange ESG disclosure guidance**  
(Number of stock exchanges)

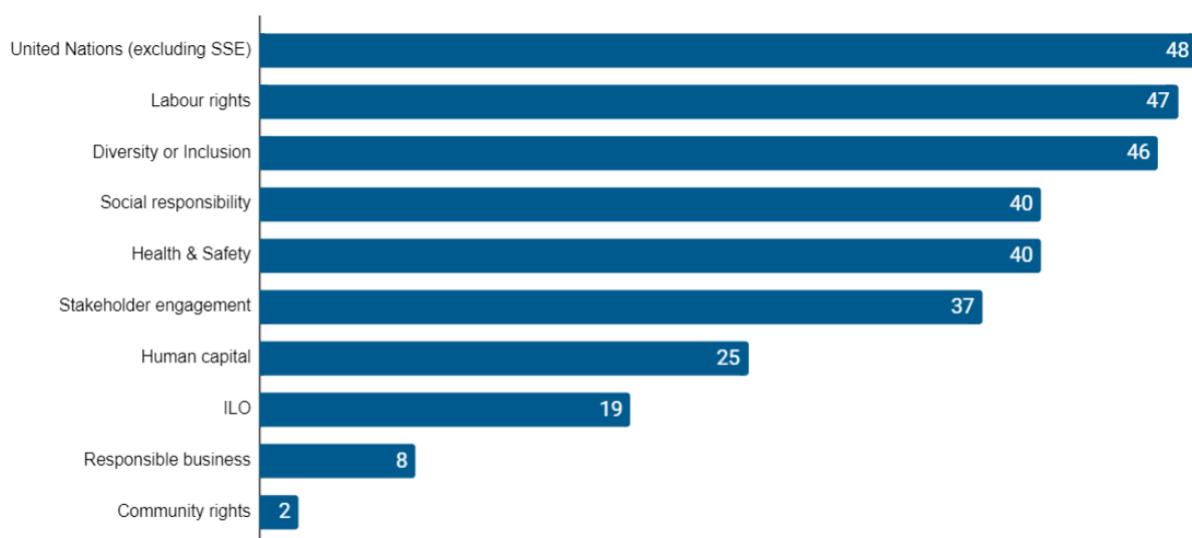


Source: SSE database.

## Indirect references

Stock exchange ESG disclosure guidance documents have a larger focus on indirect terms related to human rights (Figure 2). This covers areas such as labor rights, diversity or inclusion, social responsibility, etc. Expanding the information in the reports with indirect references to human rights demonstrates that stock exchanges are covering human rights in part, via specific areas, which may facilitate the progress of promoting human rights disclosure practices.

**Figure 2: Indirect references to human rights in stock exchange ESG disclosure guidance**  
(Number of stock exchanges)



Source: SSE database.

While the United Nations was mentioned in many documents in different ways, there was less of a focus on the International Labor Organization (ILO) even though “Labor or Labour (rights, standards, practices or relations)” is mentioned nearly as often as the term “Human Rights.” Some terms such as “Stakeholder Engagement” were elaborated on and more fully developed than other terms that were mentioned the same amount or more such as “Health & Safety.” Stock Exchanges that mention “Social Responsibility” often use the phrase Corporate Social Responsibility (CSR). When mentioning social responsibility, excluding singular mentions of CSR, the exchange’s ESG disclosure guidance would often refer to the International Standardization Organization’s ISO 26000 Guidance Standard on Social Responsibility while clarifying the social subjects addressed.

## 3. Other observations and future areas of work

The newer ESG disclosure guidelines have gone more in depth to provide more information on human rights as they have worked more carefully to incorporate a more holistic approach to ESG disclosure. The year the guidance was written does not appear to have an impact on whether or not there were more or less mentions of human rights related terms, but the newer the guidance, the more likely the terms would be elaborated on and would be mentioned more frequently throughout the guidance. Since 2019, 26 stock exchanges have published ESG disclosure guidance, 17 of which elaborated on human rights related terms, while only 8 out of 29 elaborated on these terms for those who published before 2019.

Future areas of research may include further analyzing the way human rights issues are presented in stock exchanges’ ESG disclosure guidance with an aim to assist exchanges with the way they present this material. The SSE can consult with exchanges and other relevant stakeholders to determine if there is a need for more specific guidance on human rights disclosure and how to implement the corporate human rights policies, processes, and practices.



## About the SSE

The SSE initiative is a UN Partnership Programme organised by UNCTAD, the UN Global Compact, UNEP FI and the PRI. The SSE's mission is to provide a global platform for exploring how exchanges, in collaboration with investors, companies (issuers), regulators, policy makers and relevant international organisations can enhance performance on environmental, social and corporate governance issues and encourage sustainable investment, including the financing of the UN Sustainable Development Goals. The SSE seeks to achieve this mission through an integrated programme of conducting evidence-based policy analysis, facilitating a network and forum for multi-stakeholder consensus-building, and providing technical guidelines, advisory services and training.

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This report relied on data from the UN SSE ESG database, a comprehensive database on exchanges' ESG guidelines.  
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