

Statement by the Thun Group of Banks

A Discussion Paper on the implications for corporate and investment banks of Principles 13 and 17 of the UN Guiding Principles on Business and Human Rights

We, the undersigned banks, are committed to respect human rights in our business activities. The motivation for this commitment is twofold: it reflects responsible business practice by minimizing related risks and underlines our desire to manage the impact of our business on society responsibly.

This Discussion Paper aims to gain further understanding of how the “UN Guiding Principles on Business and Human Rights” (“UNGPs”) should be applied in the banking sector.

By publishing the Discussion Paper, we aim to generate constructive dialogue among banks and other stakeholders interested in the areas covered within it. We invite you to provide your comments via the webpage of the Business & Human Rights Resource Centre where this Statement and the Discussion Paper are published.

The Discussion Paper suggests a conceptual framework to help consider the meaning and reach of Principle 13 of the UNGPs for banks in a corporate and investment banking context. Furthermore, consideration is given to the due diligence envisaged by Principle 17. This principle determines that banks should, under the UNGPs, develop environmental and social risk management policies and procedures to support identification, prevention and mitigation of impacts caused and/or contributed to by clients to whom the bank provides financial products and services.

Supported by case studies, the Discussion Paper introduces the concepts of *proximity to an impact*, which may indicate the “degree of directness” of linkage between the human rights impact and the product offered by the bank, and *unit of analysis*, as a means to inform the focus of a bank’s due diligence.

We believe that our work, which is based on shared expertise and experience, is supporting the integration of the UNGPs into the policies and practices of banking institutions. Application of the various elements of the Discussion Paper is, however, left to each individual bank as the UNGPs, if they are to become operationally effective, need to be implemented in a manner appropriate for each institution.

The Thun Group of Banks, 25 January 2017

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Note: The Thun Group of Banks is an informal group of bank representatives that work together with the primary purpose of i) furthering understanding of the UN Guiding Principles on Business and Human Rights within the context of banking and, ii) considering how they may be applied across the range of different banking activities. The Group’s focus is on sharing expertise and experience to support the integration of the UNGPs into the policies and practices of banking institutions. The name of the Group derives from the location where the group has regularly met since 2011. The Group does not constitute a formal entity of any kind. Our discussions in the Group are assisted by expert input from the [University of Zurich Centre for Human Rights Studies](#).