

## **UN Working Group on Business and Human Rights Call for inputs: Corporate Governance, Business and Human Rights**

*Submission by the Institute for Human Rights and Business (IHRB)*

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### **Summary**

IHRB welcomes the opportunity to contribute input to the UN Working Group's report to the 81st session of the UN General Assembly on the subject of Corporate Governance, Business and Human Rights. In this submission, we focus on the Working Group's request for good practices, tools, and guidance regarding corporate governance decision-making, by highlighting resources IHRB has contributed to developing, aimed at informing directors' duties and the responsibilities of senior executive governance of businesses.

Our experience demonstrates that meaningful integration of the United Nations Guiding Principles on Business and Human Rights (UNGPs) into corporate governance requires more than voluntary commitments or sustainability reporting. There is a need to clarify how human rights considerations intersect with directors' duties, enterprise risk management, disclosure obligations, stakeholder engagement, and long-term value creation. The tools and initiatives summarised below aim to support efforts to operationalise these linkages, thereby embedding respect for human rights and corporate due diligence into boardroom practice rather than treating these standards as peripheral compliance concerns.

# 1. Pwint Thit Sa: Benchmarking Corporate Governance and Human Rights Disclosure in Myanmar

IHRB's collaboration with the Danish Institute for Human Rights, the Myanmar Centre for Responsible Business, developed [Pwint Thit Sa](#) (Transparency in Myanmar Enterprises), a benchmark of corporate disclosure by Myanmar companies. First launched in 2014, and since 2018 pursued in collaboration with local consultancy Yever (acting in a pro bono capacity), Pwint Thit Sa is now a biannual assessment of the quality and extent of corporate disclosure by Myanmar companies across key governance and responsibility indicators.

The benchmark draws on international and regional standards, including the ASEAN Corporate Governance Scorecard of the ASEAN Capital Markets Forum (whose updated 2023 Benchmark references human rights in its guidance) and the Global Reporting Initiative. Criteria aligned with the UNGPs are embedded throughout the methodology, including expectations related to policy commitments, due diligence, grievance mechanisms, anti-corruption measures, and board oversight.

## Governance impact and board-level engagement

Pwint Thit Sa has helped translate human rights principles into measurable governance criteria. Boards are prompted to consider questions such as:

- Has the company adopted a publicly available human rights policy approved at board level?
- Is there evidence of board oversight of human rights due diligence processes?
- Are risks to affected stakeholders reflected in enterprise risk management systems?
- Are grievance mechanisms accessible and credible?

These questions help reposition human rights from a reputational or CSR issue to a core governance matter involving fiduciary oversight, risk anticipation, and accountability.

Experience to date indicates that the benchmark, and in particular the 1:1 engagement and feedback to companies on their draft scores, has fostered board-level discussions and follow-up actions in some Myanmar companies on human rights, ESG, and disclosure-related issues. The Pwint Thit Sa team has engaged with [member companies of the Myanmar Institute of Directors](#). The public ranking format incentivises peer comparison, encouraging boards to review governance structures, internal controls, and reporting lines related to social and human rights risks.

## Policy and regulatory influence

The annual report has also provided opportunities to summarise and influence national policy and regulatory debates in Myanmar (see in particular the [2020 Pwint Thit Sa report](#)). By aggregating disclosure trends and identifying systemic gaps, Pwint Thit Sa has contributed to dialogue with regulators, the Myanmar stock exchange, investors, and civil society on strengthening corporate governance frameworks. The benchmark illustrates how data-driven transparency initiatives can support state implementation of the UNGPs by clarifying expectations and building regulatory momentum.

## Resilience in challenging contexts

Myanmar's current political and human rights environment underscores the importance of governance tools that remain relevant even in fragile or conflict-affected contexts. In such settings, board oversight of human rights risks is not merely aspirational but essential to managing heightened risks of complicity, operational disruption, sanctions exposure, and reputational harm. Pwint Thit Sa demonstrates that even in challenging environments, structured benchmarking can elevate governance standards and provide an entry point for sustained engagement.

## 2. Engaging Affected Stakeholders: Emerging Duties of Board Members

In 2022–2023, IHRB collaborated with the World Economic Forum Global Future Council on Human Rights to produce the report [Engaging Affected Stakeholders: The Emerging Duties of Board Members](#), published by the World Economic Forum. The report explores how evolving legal, regulatory, and market expectations are reshaping directors' duties with respect to stakeholder engagement and human rights oversight.

### From shareholder primacy to stakeholder governance

The report situates human rights due diligence within broader shifts in corporate governance debates, including:

- Expanding interpretations of fiduciary duty to incorporate long-term risk and value creation.
- Mandatory human rights and environmental due diligence legislation emerging in multiple jurisdictions.

- Heightened investor scrutiny of social risks.
- Growing recognition of stakeholder capitalism frameworks.

In this context, the report stresses that engagement with affected stakeholders is no longer a discretionary reputational exercise; it is increasingly tied to directors' duties of care, oversight, and risk management.

## **Board responsibilities and oversight**

The report identifies concrete governance levers available to boards, including:

- Approving and periodically reviewing human rights policies.
- Ensuring integration of human rights risks into enterprise risk management systems.
- Overseeing due diligence processes, including impact assessments and mitigation strategies.
- Establishing escalation and reporting mechanisms that bring salient human rights risks to board attention.
- Linking executive remuneration to human rights and ESG performance indicators.

It further clarifies that effective stakeholder engagement, in line with the UNGPs, must be meaningful, rights-compatible, and inclusive, particularly of vulnerable or marginalised groups. Boards should seek assurance not only that engagement occurs, but that it informs decision-making.

## **Legal and regulatory trends**

The report analyses emerging legal developments relating to expectations of board oversight, including due diligence legislation in Europe and elsewhere, securities disclosure rules, and litigation trends alleging failure of oversight in relation to social harms. While legal frameworks vary, the trajectory is clear: directors face increasing scrutiny where governance systems fail to prevent or address foreseeable human rights harms.

This evolution has significant implications for corporate governance. Boards must ensure that human rights expertise, data, and stakeholder perspectives are integrated into strategic planning, mergers and acquisitions, supply chain management, and crisis response. Governance structures that silo sustainability or human rights functions away from core decision-making risk falling short of emerging standards.

## Cross-Cutting Lessons

Drawing on the initiatives summarised above, several cross-cutting lessons should be noted:

- 1. Clarity of board responsibility is critical.**  
Human rights commitments must be anchored at the highest level of governance. Explicit board approval of policies, clear allocation of oversight responsibilities (e.g., through board committees), and regular reporting to the board are essential.
- 2. Measurement drives governance change.**  
Benchmarking initiatives such as Pwint Thit Sa demonstrate that publicly available metrics can catalyse internal governance reform. Transparent criteria aligned with international standards provide boards with concrete reference points.
- 3. Stakeholder engagement must inform decision-making.**  
Engagement processes that are disconnected from board deliberations or strategic decisions risk becoming symbolic. Effective governance requires that stakeholder insights influence risk prioritisation, capital allocation, and operational policies.
- 4. Human rights due diligence is a governance system, not a compliance checklist.**  
Boards should view due diligence as an ongoing management system embedded across functions, rather than a periodic assessment exercise. This includes ensuring remediation mechanisms are effective and that lessons learned feed back into governance processes.
- 5. Disclosure enhances accountability.**  
Robust, comparable, and accessible disclosure enables investors, regulators, and affected communities to assess whether boards are exercising adequate oversight. Disclosure requirements aligned with the UNGPs can reinforce governance incentives.

## Recommendations for the UN Working Group

The Working Group may wish to consider the following points when developing recommendations for its forthcoming report:

- 1. Clarify the link between directors' duties and the corporate responsibility to respect human rights,** emphasising that oversight of human rights risks forms part of directors' duties of care and loyalty in many jurisdictions.

2. **Encourage states to integrate human rights expectations into corporate governance codes**, listing rules, and stewardship codes, thereby embedding the UNGPs within mainstream governance frameworks.
3. **Develop guidance for boards on effective stakeholder engagement**, including expectations regarding frequency, independence, and reporting of such engagement.
4. **Highlight the importance of good practice benchmarking initiatives, including the *Corporate Human Rights Benchmark***, that align governance criteria with the UNGPs and demonstrate measurable impact.
5. **Support capacity-building for board members**, recognising that many directors lack specific expertise in human rights risk management and stakeholder engagement methodologies.

## Conclusion

Corporate governance is a critical lever for advancing the implementation of the UNGPs. Experience from benchmarking and board-focused guidance initiatives demonstrates that when human rights are framed as matters of fiduciary oversight, risk management, and long-term value creation, boards are more likely to integrate them into core decision-making processes.

IHRB stands ready to support the Working Group's efforts to clarify and strengthen expectations of corporate governance in relation to business and human rights, and to discuss further practical tools and evidence from our work.