

Live-Stream Event

Implementing human rights due diligence in times of changing expectations

October 1st 2020, 4pm-5pm CET

Summary Paper

Scope and objective

Since the adoption of the UN Guiding Principles for Business and Human Rights (UNGP) in 2011, a number of voluntary and regulatory initiatives have emerged across the world. They set out the expectation that companies respect human rights and lay the foundation for the integration of human rights principles in companies' core operations.

On October 1st 2020, the [Geneva Centre for Business and Human Rights \(GCBHR\)](#), the [World Business Council for Sustainable Development \(WBCSD\)](#) and the [International Chamber of Commerce \(ICC\)](#) organized a [live-stream](#) event on “**implementing human rights due diligence in times of changing expectations**”, with the objective to improve understanding of how to embed human rights due diligence (HRDD) in companies that operate in different industry contexts, especially in light of this fast moving landscape.

The session was opened by **Prof. Dorothee Baumann-Pauly** (Director, GCBHR), and co-hosted by **Crispin Conroy** (Representative Director Geneva, ICC) and **Daive Fiedler** (Social Impact Manager, WBCSD), who moderated the discussion with business representatives **Adrienne Williams** (Head of Corporate Responsibility, ABB), **Frank Seier** (Head of Human Rights, Novartis), **Yann Wyss** (Senior Manager Social and Environmental Affairs, Nestlé). **Sarah Dekkiche** (Expert on BHR, GCBHR) introduced latest policy developments at national and European level.

Main outcomes

Since the adoption of the UNGPs almost 10 years ago, a multitude of corporate human rights related frameworks have emerged, whether voluntary schemes (such as National Action Plans on Business and Human Rights, sector specific guidance, multi-stakeholder initiatives) or increasingly binding legislations. One can note that the latter are gradually evolving from mainly reporting requirements to proper mandatory human rights due diligence regulations, including at EU level. Indeed, after EU Commissioner for Justice Didier Reynders committed in April this year to introduce a legislative initiative on that matter as of 2021, the European Parliament's Committee on Legal Affairs recently published a [draft report](#) with recommendations on corporate due diligence and accountability. The main elements of this draft Directive were presented, and compared with those of the Swiss Responsible Business Initiative that will be submitted to popular vote on November 29th 2020. All in all, it appears that both legal initiatives mirror the corporate human rights due diligence requirements set out by the UNGP, adding clauses of penalties (EU) and civil liability (Switzerland). The nature of legislative initiatives in the making in other countries (e.g. in Germany) will most probably be of a similar nature.

When asked to what extent policy developments acted as a driver for the integration of human rights principles into core business operations, panelists overall agreed that the new regulations (or legislative proposals) do not introduce anything new, with the exception of the liability clause, as they are very much based on the UNGPs. While their companies have not

waited for legislation to be in place to introduce human rights into business operations, they nevertheless recognize mandatory HRDD legislation as a way to set a level playing field among all businesses in the same way. It is also considered as leverage for increased attention by Senior Management and Board of Directors, which in return helps to unlock more internal resources to address human rights. At the same time, the civil liability clause (applicable to own activities and those of controlled entities, under the Swiss responsible business initiative) remains a concern for some companies. Other drivers for corporate HRDD, listed as being equally important, include investors' expectations, access to finance, external events, consumer pressure as well as talent retention and recruitment.

In practice, for large companies working with thousands of suppliers and sub-suppliers, assessing human rights risks and impacts is a challenge. While the panelists understand that ideally risk assessments should identify and address the risks that may cause the most severe impacts, these risks often lie in deeper layers of the supply chain at the level of the production of raw materials. Most companies do not have full visibility beyond tier 1. Indeed, with sometimes over 100'000 first tier suppliers, reaching second and third tier suppliers remains difficult, also because most of them usually refuse to reveal who their sub-suppliers are. In addition to the classical human rights impact assessments foreseen by the UNGPs, the panelists highlighted other means to increase visibility further down the supply chain, such as: (a) Looking at high-risk products (e.g. agricultural commodities) and services (e.g. security, warehousing, logistics, distribution services), both upstream and downstream; (b) IT opportunities such as blockchain, to develop a chain of custody; (c) Industry initiatives, which are seen as a way to improve the sustainability and human rights practices of suppliers, through capacity building and collective action.

The session ended with a consensus on the importance of working with peers (within the same industry, but not only) and other stakeholders, and the need ensure action on the ground.

For more information

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