

## **UN experts welcome new study on corporate human rights due diligence**

The UN Working Group on Business and Human Rights\* welcomes a [recent study for the European Commission](#) on “due diligence requirements through the supply chain”, observing that it provides a solid and much needed foundation for enhanced policy and regulatory action to address business-related human rights impacts across sectors and global value chains.

“The study published by the EU is perfectly in line with the UN Working Group’s own findings on current gaps and what is needed to make human rights due diligence part of normal business practice. The thorough evidence-base of the report reinforces [our recommendations made to the UN General Assembly in 2018](#),” noted the members of the UN Working Group. “The study shines further light on the regulatory action needed to protect workers, communities and consumers affected by business activities across sectors,” the UN experts said.

The comprehensive independent study commissioned and issued by the Directorate-General for Justice and Consumers Directorate of the European Commission highlights current business practice and regulatory options benchmarked against the [Guiding Principles on Business and Human Rights for implementing the United Nations “Protect, Respect and Remedy” Framework \(UN Guiding Principles\)](#), the globally recognized and authoritative framework for the respective duties and responsibilities of Governments and business enterprises to prevent and address business-related human rights impacts. It describes the different drivers that will spur business to carry out human rights due diligence as required by the UN Guiding Principles. Human rights due diligence is a four-step process that all business enterprises should undertake to identify, prevent, mitigate and account for how they prevent and address human rights impacts. The study published by the EU finds that only one-third of the surveyed companies undertake due diligence to address the human rights and environmental impacts with which they may be involved. Moreover, it documents that even fewer meet the full standard set by the UN Guiding Principles, including to take into account human rights risks beyond the first tier of the supply chain.

The study for the European Commission further suggests that neither the status quo of existing government regulatory frameworks nor voluntary guidance or even regulation that calls for corporate reporting will be sufficient to address the gaps in business uptake of human rights due diligence. A majority of the stakeholders surveyed, including representatives from multinational corporations, note that new mandatory due diligence requirements, notably a legal duty or standard of care, at the national and EU level would be most effective in fostering change in company practice to carry out human rights and environmental due diligence for their own operations and supply or value chains. While specific regulations would need to be carefully calibrated to support effective change (including among SMEs) to have impact on the ground, and regulation will have cost implications for business, the study finds that there would be a number of benefits, including for companies.

Mandatory human rights due diligence will lead to better outcomes for people affected by business activity. Additional benefits may include greater legal certainty, improvement in competitiveness through a more level playing field (if introduced at EU level), increased leverage with third parties in value chains, and better preparedness for companies against reputational risks. To achieve the desired outcomes, legislation would also need to be backed by adequate enforcement and accountability mechanisms, including access to remedy for victims when companies fail to exercise human rights due diligence and harm to people and planet occur.

“These findings also mirror strong [calls made by civil society from all regions as well as many companies at the 2019 UN Forum on Business and Human Rights](#) that governments need to step up action to protect against business-related human rights abuse. Stakeholders at the UN Forum urged for a better “smart mix” of measures, not least the need for mandatory human rights due diligence legislation,” the Working Group noted.

“There is no reason for policy-makers to delay action any longer. Gaps have been solidly documented and the options for the way forward are increasingly clear. The commitments of the 2019 EU Presidency as well as legal initiatives underway in several countries are encouraging developments. They need to be followed up on, and also replicated by governments in all regions of the world,” the Working Group concluded.

## Endnote

\* The Working Group on the issue of human rights and transnational corporations and other business enterprises (known as the Working Group on Business and Human Rights) is mandated by the UN Human Rights Council to promote worldwide dissemination and implementation of the [Guiding Principles on Business and Human Rights for implementing the United Nations “Protect, Respect and Remedy” Framework \(UN Guiding Principles\)](#) (resolutions 17/4, 26/22, and 35/7). The Working Group is composed of five independent experts, of balanced geographical representation, and it is part of what is known as the Special Procedures of the Human Rights Council. Special Procedures mandate-holders are independent human rights experts appointed by the Human Rights Council to address either specific country situations or thematic issues in all parts of the world. The experts are not UN staff and are independent from any government or organization. They serve in their individual capacity and do not receive a salary for their work.

## Links

Working Group web page:

<https://www.ohchr.org/EN/Issues/Business/Pages/WGHRandtransnationalcorporationsandotherbusiness.aspx>

Working Group report on human rights due diligence to the 2018 UN General Assembly:

- Full report (available in Arabic, Chinese, English, French, Spanish and Russian): [http://ap.ohchr.org/documents/dpage\\_e.aspx?si=A/73/163](http://ap.ohchr.org/documents/dpage_e.aspx?si=A/73/163)

- Executive summary:  
<https://www.ohchr.org/Documents/Issues/Business/ExecutiveSummaryA73163.pdf>
- Thematic web page on human rights due diligence:  
<https://www.ohchr.org/EN/Issues/Business/Pages/CorporateHRDueDiligence.aspx>