

Business and Human Rights Agenda & Frameworks

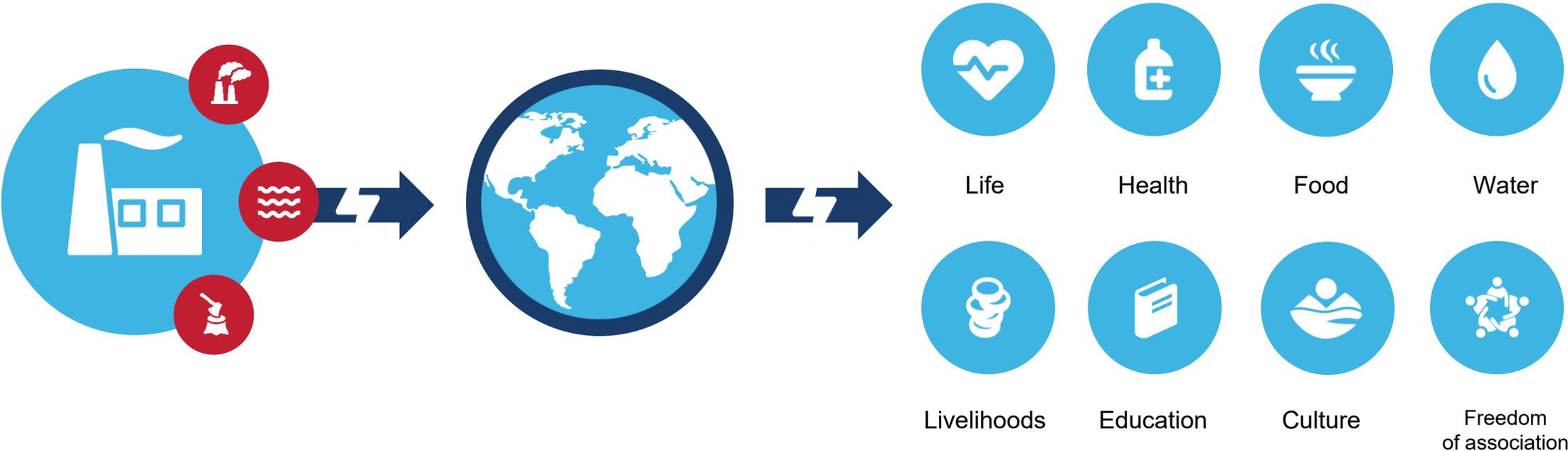
Responsible Sourcing Roundtable
4 June 2025



OUTLINE

- I. Relevance
- II. Introduction to Business & Human Rights
- III. International Frameworks/Standards: UN Guiding Principles on Business & Human Rights etc.
- IV. Corporate Responsibility to respect Human Rights: Pillar II
- V. Responsible Sourcing
- VI. Conclusion

BUSINESS IMPACTS ON HUMAN RIGHTS



Why talk about Business and Human Rights?

Public concern over human rights abuses in global supply chains has risen drastically.



Govts, consumer protection groups and journalists holding business accountable globally

Why talk about Business and Human Rights?

A host of **new laws** is emerging as a consequence, raising **compliance** and **reporting** requirements



Institutional investors are increasingly interested in companies with **reduced environmental, social and governance risks**



Convergence theory:

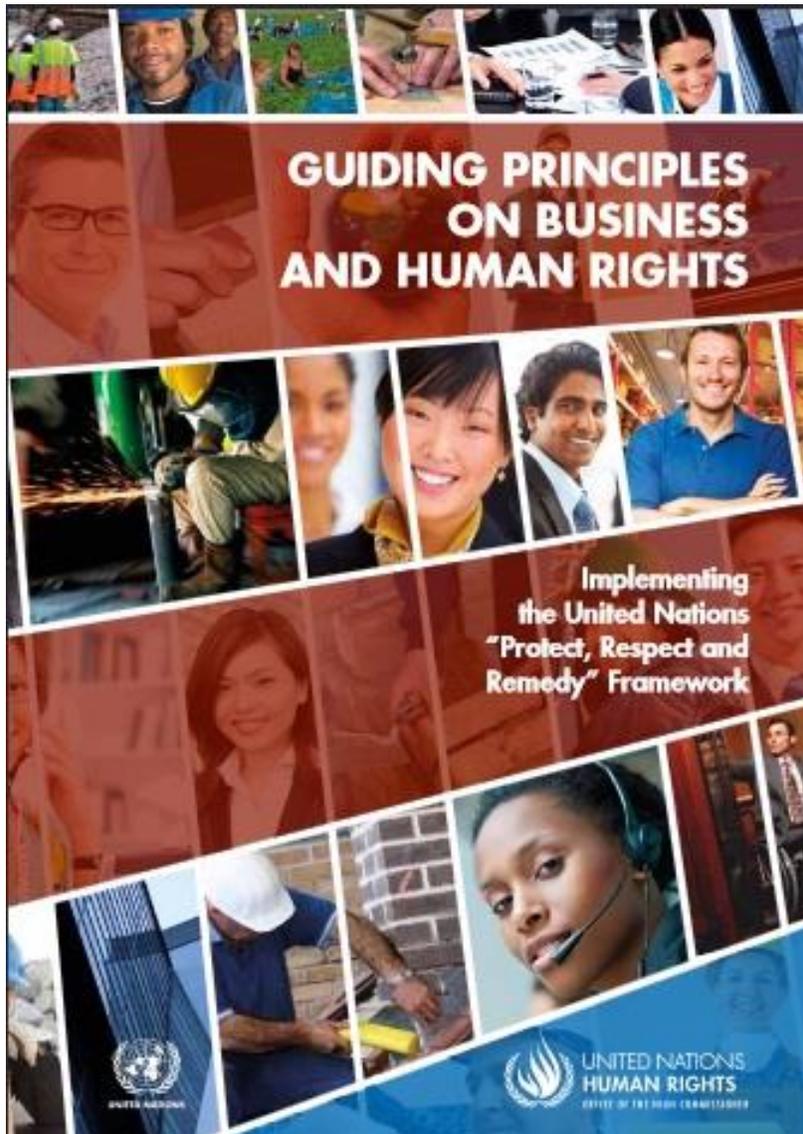
**Risks to people and
the planet & people**



**lead to risks to
business**



In 2011, the UN Human Rights Council unanimously adopted the UN Guiding Principles on Business and Human Rights



What is it made up of?

31 principles under 3 pillars AKA the “Protect, respect and remedy” Framework

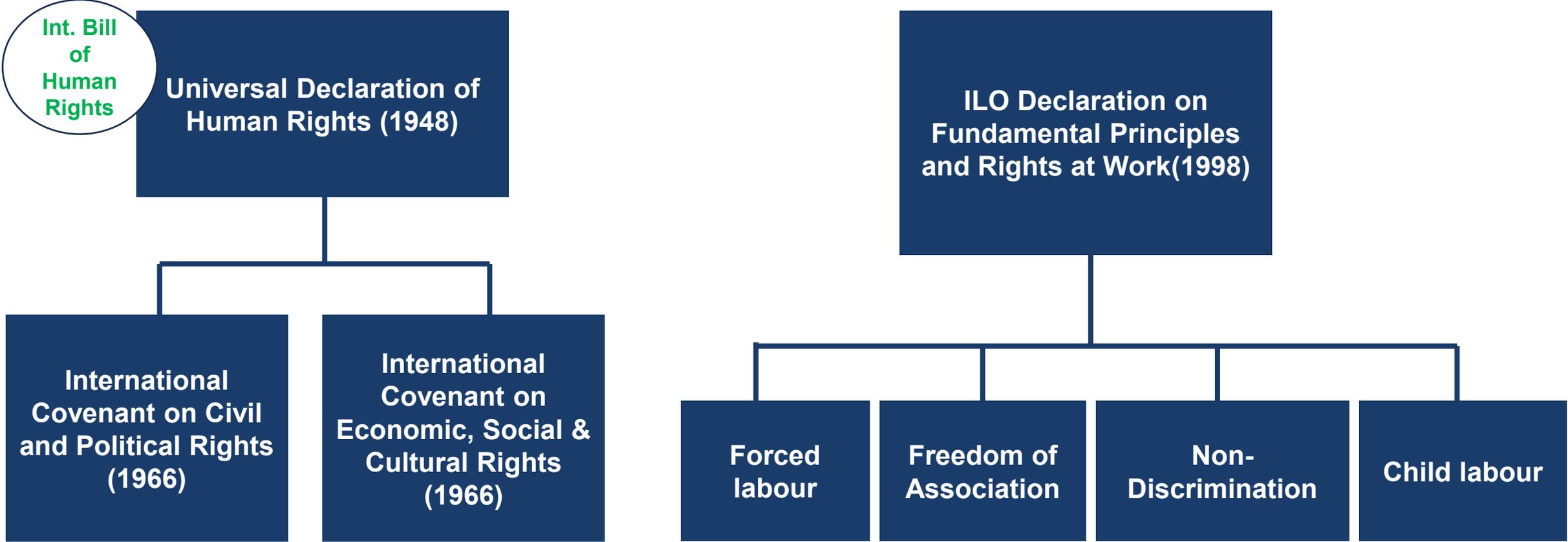
What is its purpose?

Clarify the duties and responsibilities of States and businesses to protect and respect human rights in the context of business activities and ensure access to effective remediation for individuals and groups affected by the activities.

For whom was it written?

States
Businesses

What human rights are protected?



UN Guiding Principles on Business and Human Rights

PILLAR	1: STATE	2: BUSINESS	3: STATE & BIZ
NEED	PROTECT	RESPECT	REMEDY
ROLE	Protect against human rights abuses by actors, including business	Respect human rights throughout the value chain	Ensure access to remedies in the case of human rights abuses
ACTION	<ul style="list-style-type: none">▪ Policies▪ Legislation▪ Regulation	<ul style="list-style-type: none">▪ Developing corporate policy, code of conduct▪ Acting with due diligence▪ Addressing adverse impacts through GRM	<ul style="list-style-type: none">▪ Judicial remedies▪ Non-judicial remedies▪ Company's GRM
	UNGP: 1 - 10	UNGP: 11 - 24	UNGP: 25 - 31

Pillar II – Corporate Responsibility

Business respect for human rights

The responsibility to respect human rights requires businesses to:

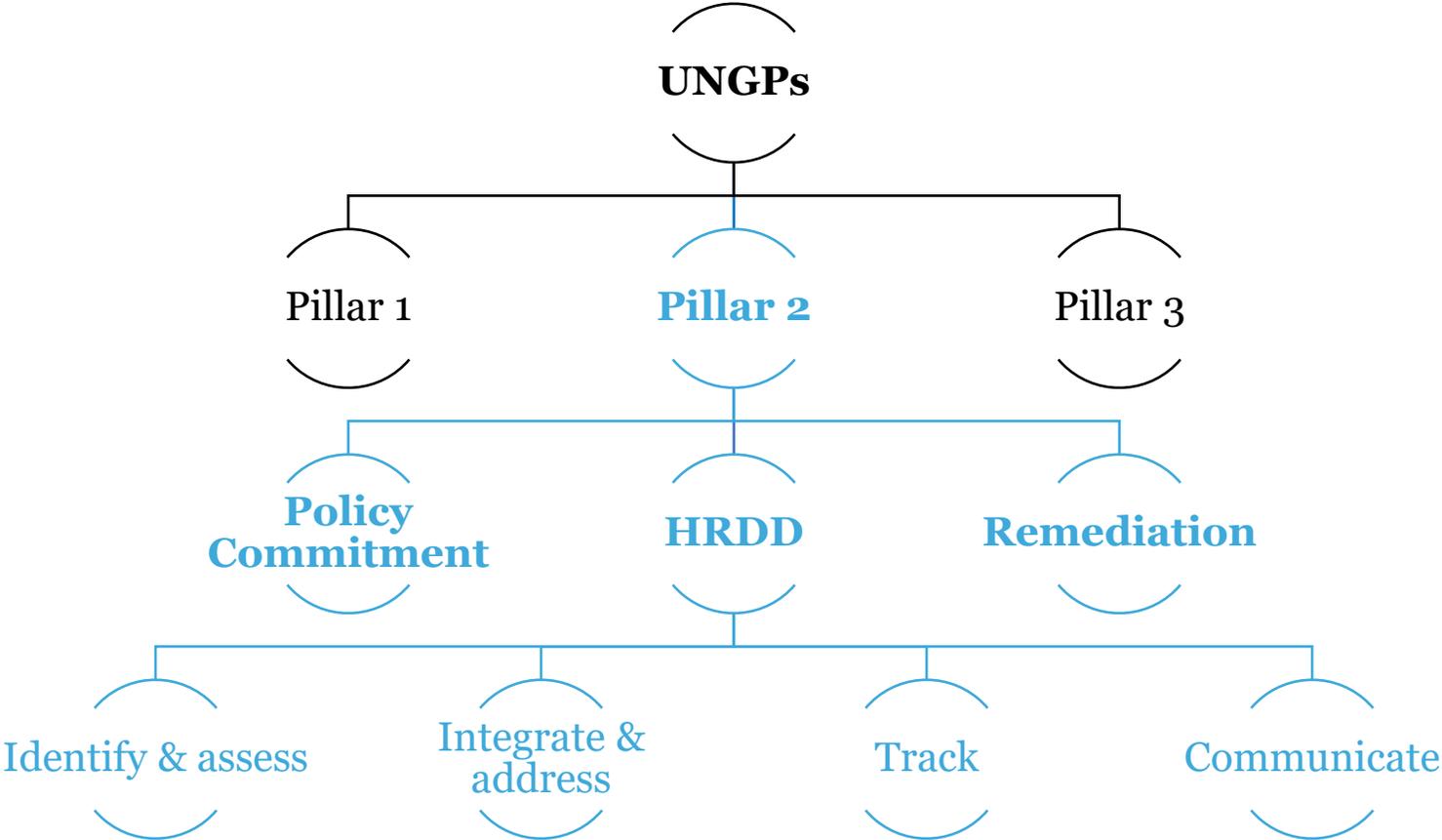
- (a) Avoid **causing or contributing** to adverse human rights impacts through their own activities, and address such impacts when they occur;
- (b) Seek to **prevent or mitigate** adverse human rights impacts that are **directly linked to their operations**, products or services **by their business relationships**, even if they have not contributed to those impacts



Respecting human rights

Three main components

- 1. Embed the responsibility to respect human rights through a **policy commitment**
- 2. Conduct **human rights due diligence (HRDD)**: a process to identify, prevent, mitigate, and account for adverse human rights impacts
- 3. **Remediate adverse impacts** on human rights that have already occurred

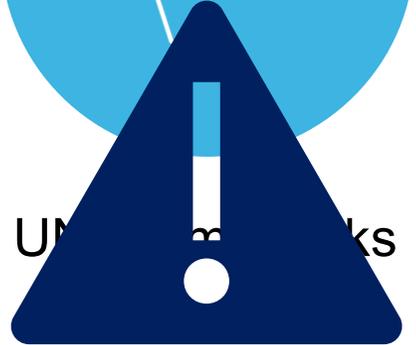


GLOBAL TRENDS

1



UN standards

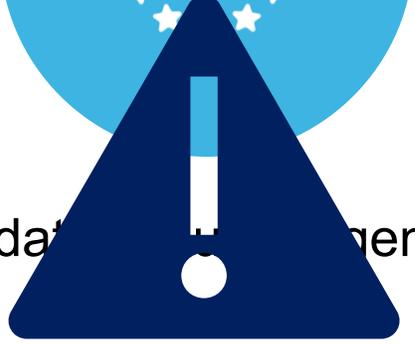


Reputational

2



Mandatory due diligence

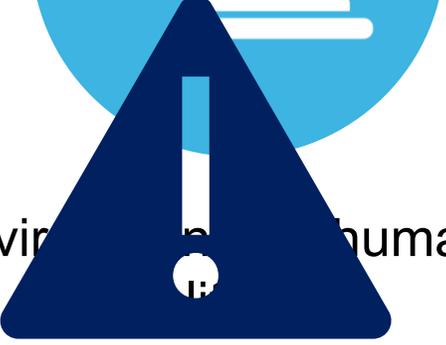


Operational

3



Environmental and human rights



Legal

Regulatory drivers – Global

Mandatory human rights due diligence legislation

- France, Germany, Norway, Netherlands, Switzerland
- EU Directive on Corporate Sustainability Due Diligence Directive (CS3D)
- EU Conflict Minerals Regulation; EU Timber Regulation
- South Korea law on Human Rights and the Environment for Sustainable Business Management

Sustainability Reporting (examples)

- EU Corporate Sustainability Reporting Directive
- EU Sustainable Finance Disclosure Regulation
- UK , Australian, New Zealand Modern Slavery Acts
- Thai Human Rights Due Diligence Reporting
- India National Guidelines on Responsible Business Conduct and Business Responsibility and Sustainability Reporting Framework

Trade and investment regulations (examples)

- Import bans and withhold and release orders (US and EU)
- Foreign Investment Screening
- EU Taxonomy for sustainable activities
- Japan Code of Conduct for ESG Rating and Data Providers (+ UK and EU)

Corporate Governance (examples)

- Corporate Governance Codes with provisions on long-term value creation and human rights and environmental due diligence

Litigation

- Tort of negligence and duty of care
- Piercing the corporate veil
- Cross-border litigation

Global Plastics Treaty

- Establishing a common standard on plastic consumption and create a clear path toward a future free from plastic pollution
- Addressing “the full life cycle of plastics,” ~ to span from extraction to disposal
- March 2022: 175 nations voted on an accelerated timeline - **by 2025. Next negotiation scheduled in August 2025 in Geneva**
- In **2024**, the Human Rights Council resolution **explicitly linking plastic pollution to human rights**
 - Resolution urges states to act across the **full plastic life cycle**, highlighting impacts on oceans, biodiversity, climate, and the **right to a healthy environment**



A prop depicting a water tap with cascading plastic bottles is displayed by activists near the Shaw Centre venue of penultimate negotiations for the first-ever global plastics treaty, in Ottawa, Ontario, Canada April 2024
Source: Reuters

CSR and BHR

Different agendas and approaches

	Corporate Social Responsibility	Business and Human Rights
Basis	Company volition	International human rights standards
Scope	Selective and ad hoc	Holistic and systemic
Agency/Perspective	Company	Stakeholders ~ Communities, Consumers, Workers (formal & informal), Investors, Regulators
Consequence on non-compliance	Not much (In India a legal mandate for eligible companies)	Access to remedy Corporate accountability

Responsible Sourcing

- Sourcing raw materials, products and services in an **ethical, environmentally sustainable and socially conscious way.**

Raw materials to finished goods
Positive impact on People & Planet

- Key Elements:
 - Ethical labour practices – payment of *fair wages*, decent work conditions, OSH, fair & *written* contracts, gender inclusive approaches, no child labour, freedom of association
 - *Environmental* sustainability
 - Transparency and traceability of the *human side* of the supply chain
 - *Meaningful* stakeholder engagement (including informal workers, communities)



Source: Reuters

Embedding in the supply chain

- **Undertake human rights due diligence** in your supply chain – to prevent, mitigate and address risks
 - Continuous process of engagement. This is **not an audit**
 - Establishing **sound governance structures** and policies at company and supplier levels
 - **Inclusive approaches** in stakeholder engagement
 - **‘Shared Responsibility’** on Responsible Sourcing. Technical and financial support to Suppliers and business partners.
- **Exercise leverage** (brands & suppliers) and **dialogue with community** networks to address systemic issues.
- **Build actions around International standards**
 - UNGPs
 - International Bill of Human Rights
 - ILO Fundamental Principles and Rights at Work



Source: Reuters

THANK YOU

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