CALLING FOR A NEW UK LAW MANDATING HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE FOR COMPANIES AND INVESTORS

We, the undersigned, as leading businesses, investors, business associations and initiatives operating in the UK, encourage the government to play a positive role in building a more resilient and sustainable post-pandemic economy that works for all. To realise this ambition, we call on the government to introduce a new legal requirement for companies and investors to carry out human rights and environmental due diligence. Such a requirement to prevent abuse of human rights and environmental harm in global operations and value chains would deliver on the government's commitments to the levelling up agenda and to the transition to a net zero economy, as well as establishing Global Britain as a leader in setting standards for renewed and sustainable prosperity worldwide.

The COVID-19 crisis demonstrated the fragility of global supply chains, and the vulnerabilities this creates and exacerbates for workers, communities, indigenous peoples and businesses around the world. There is a real risk that recent progress will be reversed. For example, the number of children in child labour has risen to 160 million worldwide – an increase of 8.4 million children between 2016 and 2020 – with millions more at risk due to the impacts of COVID-19, according to the International Labour Organization (ILO) and UNICEF’s Child Labour Global Estimates 2020.

As we recover and rebuild, we recognise the need for new binding standards which benefit all and promote sustainability. Mandatory human rights and environmental due diligence is key to ensure that efforts by companies that respect people and the planet, both during and after the COVID-19 recovery, are not undercut by the lack of a uniform standard of conduct applying to all business actors.

Some companies are already taking steps to implement due diligence processes in line with the corporate responsibility to respect human rights as outlined by the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. However, more companies need to assess, act and report on their potential and actual impacts on human rights and the environment. Legislation introducing an obligation to conduct due diligence as defined by the UNGPs and covering all business actors is critical to bring all companies to the same standard and build on progress to date.

Mandatory human rights and environmental due diligence legislation has already been introduced, or is under discussion in a number of countries around the world and has gained substantial public support from businesses. Some of this legislation, including the EU’s Sustainable Corporate Governance Due Diligence Directive, will apply to UK businesses operating in other jurisdictions.

The Modern Slavery Act and the limited due diligence requirements of the 2021 Environment Bill have been steps in the right direction. However, a more comprehensive approach is urgently needed. The UK now has an opportunity to retain its leading role, rather than following the footsteps of others. Legislation can contribute to a competitive level playing field, increase legal certainty about the standards expected from companies, ensure consequences when responsibilities are not met, promote engagement and impactful actions between supply chain partners and, above all, incentivise impactful and effective action on the ground. UK legislation with clear accountability should harmonise expectations towards companies, irrespective of where they operate; provide access to remedy for victims; and ultimately bring change of the necessary scale and speed to positively contribute to the lives of people and the planet.

We therefore call for the UK government to urgently bring forward ambitious primary legislation to mandate companies to carry out human rights and environmental due diligence. To level the playing field in practice, the requirement needs to be accompanied by consequences that will be strong enough to ensure that businesses that fall within the scope of the legislation carry out HREDD to a high standard and that victims have access to justice.

This issue should figure highly on the UK’s domestic and international agenda. Action in this area would allow the UK to show global leadership. As companies, investors, business associations, and initiatives, we stand ready to support the UK’s leadership through open dialogue with policymakers, NGOs, trade unions, governments and local communities.
Signatories:

ALDI
Alsico
AMT Fresh
Ardea International
Ardevora Asset Management LLP
ASOS
Aviva Investors
The Body Shop
BMO Asset Management
British Retail Consortium
The Co-operative Group
Erve
Ethical Trading Initiative
Fashion Roundtable
Fidelis Insurance
Hilton Food Group
Investor Alliance for Human Rights
John Lewis Partnership
Joseph Robertson
Jupiter Asset Management
Justice in Fashion CIC
LDH (La Doria) Ltd
Liberty Retail Limited
Local Authority Pension Fund Forum

Mars
Microsoft
Mondelez International
Morrisons
Nestlé
New Look
Oliver Bonas
One+All
Polden-Puckham Charitable Foundation
Primark
Princes Group
Sainsbury’s
Seasalt Cornwall
Tata Consumer Products GB
Tesco
TFG Brands London
Tony’s Chocolonely
Twinings
Unilever
UN Global Compact Network UK
Union Hand-Roasted Coffee
The Very Group
The White Company