

FAIR WEAR POSITION ON THE SMART MIX APPROACH: WITH OR WITHOUT MANDATORY DUE DILIGENCE?

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INTRODUCTION

Nowadays most garment brands operate across borders, leading to corporate structures and supply chains (including subcontractors). Besides delivering benefits to companies and society, business activities also generate negative externalities violating social standards. The complex and fragmented nature of the global supply chain make it difficult for companies to trace negative social impacts of their global operations.

As an international community we want to minimize these externalities. Therefore, we have agreed to various principles and guidelines, such as the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. These principles and guidelines encourage companies to carry out due diligence within their value chain when doing business abroad. Especially, the UNGPs indicate clearly that all states must protect against human rights abuse within their territory and/or jurisdiction by third parties, including business enterprises¹. However, in practice, there are little binding requirements that these responsibilities should be implemented by companies.

The tools call for a so-called smart mix for regulation. The terminology of the 'smart mix' was coined by the UN Guiding Principles on Business and Human Rights (UNGPs)². It refers to an idealized regulatory ecosystem that includes traditional forms of business regulation via legislation and judicially-enforced remedies, on one hand, with incentives, information-based and new governance approaches, such as sector-specific multi-stakeholder initiatives, as well as measures to enhance the role of financial actors in encouraging more sustainable business practices.

The supposed strength of the 'smart mix' is connecting corporations' individual self-steering capacities, the creativity, dynamism, and distributive wisdom of markets, while also correcting for their tendencies to generate externalities that negatively impact human rights and environmental sustainability. This correction would be implemented by applying democratically driven mandatory

¹ <https://www.shiftproject.org/news/fulfilling-the-state-duty-to-protect-mandatory-measures-smart-mix/>

² UNGP - Commentary to UNGP 3

measures to assure a level playing field. However, in practice mandatory measures have not been applied frequently so far.

Around the globe, a louder voice is expressing that the reliance on solely voluntary frameworks to promote business respect for human rights has proven insufficient and ineffective for workers, society and businesses, or translated to our industry: (women) workers, garment and textile brands, factories, civil society organisations and consumers. National action plans on business and human rights for responsible business conduct which are meant to implement OECD guidelines on multinationals and OECD guidance for business conducts also reveal the limits of the voluntary approach. Multi stakeholder approaches, often voluntary in nature, have not always been able to achieve enough progress. Ambition and the level of accountability towards members also varies from initiative to initiative. Altogether, the current situation has led to a patchwork of measures that do not provide for legal certainty and legal predictability for both workers and businesses. In response, calls for mandatory measures are increasing, and various governments have initiated proposals for legally binding due diligence laws. A call needed to progress toward our international commitments made in the United Nations 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs).

Why should Fair Wear have a position on the smart mix and mandatory human rights due diligence?

Fair Wear is a voluntary approach for garment brands willing to work on improving labour conditions of workers in the factories they source from. Fair Wear provides the system to improve their sourcing practices step-by-step, year-on-year. In the industry, Fair Wear's methodology is perceived as one of the stronger voluntary approaches with frequent checks and balances. Our work has also delivered guidance, tools and trainings for brands, their business partners and workers in their supply chain to gain insights and improve persistent issues. Within our industry we strive for a new normal.

But we see also limits to what can be achieved. We do not cover the entire industry and other voluntary initiatives might be weaker. As we see the demand for binding tools rising, we believe that Fair Wear is well positioned to think about how complementary voluntary tools should be designed to really achieve an effective smart mix. The current methodology of Fair Wear - the supply chain approach, in which we expect garment brands to identify human rights risks and mitigate and remediate violations in their supply chain step-by-step – aligns largely with OECD guidelines on due diligence in which continuous improvement and learning is key. This paper is supposed to explore and establish FWF's position on the smart-mix approach and specifically focuses on mandatory human rights due diligence.

MANDATORY HUMAN RIGHTS DUE DILIGENCE

What's the current status?

Mandatory human rights due diligence (HRDD) initiatives are happening at different levels. Fair Wear wants to focus on creating equal partnerships in the supply chains. For that to happen, we believe that garment brands need to take due care to assure that human rights violations are prevented, identified and remediated. Therefore, we will focus on regulation and proposals that would affect due diligence of garment brands. This is primarily centred on Europe, its countries and at UN level.

National level (European countries)

At national level, there are several movements for mandatory HRDD scattered across 13 European countries (see appendix 1)³. Whilst some are in initial stages of creating a civil society movement, in some cases backed by trade unions, consumers and companies, three European countries have an approved law in place (France, UK, The Netherlands). However, only the French law covers a wide definition of human rights due diligence^{4,5}, whereas the other laws are topical. In the Netherlands, it is focused on child labour while the UK law is addressing modern slavery specifically. In general, these regulations seem to focus on multinational enterprises.

In many other Nordic and West-European countries, proposals for a human rights due diligence law are prepared. Most recently, the German Federal Minister for Labour and Social Affairs (BMAS) and the Federal Ministry for Economic Cooperation and Development (BMZ) announced they will draft a human rights due diligence proposal after the release of the NAP monitoring survey in 2019 which indicated a lack of progress.

Regional level (EU)

At European level, there is already legislation in place that concerns parts of human rights due diligence in the garment industry, such as the Non-Financial Reporting Directive (2014) and the EU Procurement Directive (2014). However, these regulatory frameworks do not mention human rights due diligence in much detail. At sectoral level, the EU has installed due diligence legislation for the wood and mining sector. Besides accepted EU legislation, coalitions on mandatory HRDD are being formed at European level. In November 2019, over 100 civil society organizations demand human rights and environmental due diligence legislation at European level⁶. During the Finnish presidency of the EU Council, an action agenda on BHR was put forward, acknowledging the need for EU regulation on environmental and human rights due diligence⁷. In April 2020, the EU commissioner for Justice announced that the Commission commits to introducing rules for mandatory corporate environmental and human rights due diligence.

³<https://www.business-humanrights.org/en/national-movements-for-mandatory-human-rights-due-diligence-in-european-countries>

⁴ <https://www.legifrance.gouv.fr/eli/loi/2017/3/27/2017-399/lo/texte>

⁵ https://www.amisdela terre.org/IMG/pdf/2019_collective_report_-_duty_of_vigilance_year_1.pdf

⁶ <https://corporatejustice.org/news/16800-over-100-civil-society-organisations-demand-human-rights-and-environmental-due-diligence-legislation>

⁷ <https://eu2019.fi/en/events/2019-10-07/business-and-human-rights-towards-a-common-agenda-and-action>

For the garment sector specifically, the NGO The Circle has proposed mandatory due diligence on living wage at EU level⁸. Given the limitations of cooperation, trade agreements and remedies to address wages and labour standards, the focus is on the responsibilities of retail companies and importers to ensure that human rights are upheld within their supply chain. The Circle proposes a legislative measure that directs its force at the relevant importer into the EU or company operating in the EU in order to create an incentive for garment producing states to raise their minimum wage levels.

In the cocoa sector, a coalition of companies together with civil society and trade unions have urged for EU-wide human rights and environmental due diligence requirements⁹. All parties recognize that voluntary efforts by chocolate companies to halt harmful practices on cocoa farms have fallen far short of goals. The nature of this sector, with few companies dominating the entire European market, allows for an interesting test case for HRDD regulation at EU level.

International level (UN)

Negotiations to develop a UN treaty on business and human rights started in 2015 with the first meeting of the UN Human Rights Council's open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights (OEIWG). The working group's mandate is focused on elaborating an international legally binding instrument. In July 2019, a revised draft was released¹⁰. The process of establishing a legally binding, international treaty is expected to be lengthy and it is unclear if it will ever reach that stage. Furthermore, while this process is the result of the UNGPs, Prof Ruggie himself is not necessarily in favour of such an all-encompassing treaty. He suggested that improving existing legislative options could also be a viable strategy¹¹, such as the existing procurement directive.

Besides a UN treaty on business and human rights, 83 countries in the World Trade Organisation (WTO) meet on a monthly basis to advance human rights due diligence.

Progression over time

As the ECCJ¹² highlighted in their position paper, a rough division in three generations of regulation can be made over time:

- 1st generation: Focus on Human Rights Due Diligence (HRDD) reporting obligations, such as the UK Modern Slavery Act and the Non-Financial Reporting Directive.
- 2nd generation: stipulates HRDD obligation, such as the Dutch Child Labour Due Diligence Act. These include risks identification, the obligation to act and to report on measures taken (including outcomes). However, the link with corporate liability and access to justice for victims of corporate malpractice often remain ill-defined.
- 3rd generation: explicitly links HRDD obligations to existing corporate liability, such as the French duty of vigilance law.

⁸https://thecircle.ngo/wp-content/uploads/2015/11/Fashion-Focus-Towards-a-Legal-Framework-for-a-Living-Wage_Small.pdf

⁹<https://www.washingtonpost.com/business/2019/12/31/chocolate-companies-ask-taste-government-regulation/>

¹⁰https://www.ohchr.org/Documents/HRBodies/HRCouncil/WGTransCorp/OEIGWG_RevisedDraft_LBI.pdf

¹¹<https://www.shiftproject.org/news/john-ruggie-finland2019-keynote/>

¹²https://corporatejustice.org/eccj-position-paper-mhrdd-final_june2018_3.pdf

Under what conditions would mandatory measures make sense?

Mandatory HRDD is a much-debated topic. The conditions under which HRDD is regulated are key to the effectiveness of the law. In this paragraph, an overview of important conditions is given to elevate current HRDD practices to a higher quality.

Recognition of all internationally recognized human rights standards and existing frameworks

Human rights covered should include, at a minimum, those enshrined in the International Bill of Human Rights¹³, as well as the principles concerning fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. For EU Member States, this also includes the rights enshrined in the EU Charter of Fundamental Rights.

The internationally recognized normative frameworks for due diligence that we believe should inform any regulatory proposal include the International Labour Organization's Conventions, the UNGPs and the OECD Guidance on Responsible Business Conduct. This would mean that companies have the responsibility to respect internationally recognized human rights and must take on appropriate measures to identify, prevent, mitigate and account for how they address adverse human rights impacts.

What should be the reach of due diligence obligations?

Regulation also must indicate the reach of its obligations. As specified in the OECD Guidelines and UNGPs appropriate due diligence of companies extends to its entire corporate structure and supply chain, including controlled companies and its business relationships. Impact in its supply chain is related to the degree of its leverage. Fair Wear supports legislation in line with this definition to ensure alignment with the OECD Guidelines and UNGPs within the smart mix.

At which level?

Mandatory HRDD would be most effective if governments in the EU/EFTA zone would align on common principles in order to create a coherent and predictable level playing field. Fair Wear would prefer alignment at EU level. Nevertheless, Fair Wear recognises the value of national HRDD legislation as these pave the road for higher quality legislation at EU level.

For the long term, Fair Wear should maintain its commitment to engage for the adoption and the ratification of the UN Treaty on Business and Human Rights.

Which companies should be covered by the law?

There is a consensus that a HRDD law should apply to large companies whose corporate seat, headquarter or principal place of business lays in the respective jurisdiction.

¹³ UN General Assembly Resolution 217 (III). It consists of the Universal Declaration of Human Rights (adopted in 1948), the International Covenant on Civil and Political Rights (ICCPR, 1966) with its two Optional Protocols and the International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966).

On the topic of SME involvement, a wide variety of perspectives can be mapped. Business-oriented organizations generally seem to agree that businesses bear responsibility to prevent and remediate human rights violations, but in their opinion it is crucial that steps be reasonable and commensurate to the capacity, resources and leverage of a given business; think small. In order to enable companies to thoroughly undertake supply chain mapping and conduct risk assessment without rushing unprepared, they propose a phased approach to implementation, though in a time-bound fashion (i.e. with clear deadlines in place). It is important to consider proportionality in moving forward on mHRDD in line with the UNGPs and OECD guidelines.

Civil society organisations and trade unions agree that mandatory HRDD should apply to at least SMEs whose business activity bears particular risk of severe adverse impacts on human rights, for example conflict or high-risk sectors and areas. CSOs and trade unions would like to apply regulation to all businesses including multinationals, independently of their sizes, active in any sector. Limitations in the scope of the EU directive could, in their opinion, exclude from the application of the directive many companies whose operations have significant actual or potential impacts in the areas covered by due diligence obligations. In their opinion, the scope of the directive should cover all companies, including SMEs, which are established or active in the European Union.

For Fair Wear's position, SMEs with high risks in their supply chain should be included in this level playing field. However, it is crucial that the implementation of the law should be in line with the capacity, resources and leverage in the supply chain of a given company. Companies should be given the opportunity to grow in the implementation of due diligence. In line with the OECD Guidelines, due diligence by companies should be about improving continuously, which means that companies identify and learn about risks step-by-step, remediating and preventing issues in the supply chain along the way. Arrangements need to be in place in this regard. Non-compliance with these arrangements can mean that a company step up the ladder regarding its degree of involvement.

Monitoring and enforcement mechanism

A monitoring and enforcement mechanism need to be set up to assure preventive measures implemented at business-level and ensure the rights of persons harmed (remediation). Liability of companies should be established for damage caused by entities under their direct or indirect control in case international human rights standards are infringed. The law can allow persons harmed by the breach of human rights standards to bring an action against the parent company to take steps to end the violation and for compensating for the harm that would have been avoided if due diligence had been exercised appropriately.

At the same time, regulation should incentivize businesses to play by the rules. The OECD guidelines allow companies to build in processes that improve their due diligence over time. As companies learn more about risks in their supply chain, new gaps and non-compliances will arise in their due diligence journey. As such, due diligence should not only be about compliance or perfection but about having a strategy and procedures in place to identify the root causes of problems, work towards remediation and aim at continuous improvement. It could be considered

that companies may discharge their liability provided that legislation is in line with the OECD guidelines and UNGPs¹⁴.

In monitoring, it is important to take workers, trade unions or their legitimate representatives into account when companies define and implement their due diligence measures.

The role of investors

The absence of comparable due diligence processes, reporting on such processes and implementation is problematic for investors, because it is difficult for them to evaluate and to compare companies' due diligence processes, which is essential to make investment decisions. Therefore, a growing number of companies and investors support the establishment of a due diligence regulatory framework at European level¹⁵.

Benefits if preconditions and actual smart mix are achieved

Seen from the broader scope of the smart mix and provided that it is supported by comprehensive practical guidance, mandatory due diligence could help the garment industry to:

- Reduction of human rights violations and contributing to the UN 2030 Agenda for Sustainable Development and its 17 SDGs.
- Level the playing field across the entire garment and textile sector and its supply chains and raise the bar of minimum corporate behaviour:
 - Increase leverage by undertaking human rights due diligence across the industry board, beyond specific prioritized sectors or issues.
 - The competitive disadvantage of companies now at the forefront will be reduced as laggard competitors also need to start addressing human rights due diligence. This might push frontrunners to increase their ambition and make even bigger strides.
- Streamline approaches and contribute to coherence across sectors: businesses would no longer be required to adjust their reporting systems to differing minimum requirements.
- Incentivize collaborative approaches to maximize the efforts of all parties involved, from governments to businesses and workers alike by providing a common framework to address systemic human rights risks.
- Oblige companies to consider the interests of stakeholders other than shareholders by including CSOs, workers and trade unions to conduct better monitoring. In addition, legislation stimulates shareholders to have due diligence applied to the enterprises they invest in.
- Enable a clear cause of action for individuals who are harmed to pursue remedy^{16,17}.
- If EU/EFTA countries can align on mandatory HRDD:

¹⁴ In line with the current policy of Fair Wear, discharge of liability does not entail that brands are released from their duty to remediate.

¹⁵ <https://www.business-humanrights.org/en/investors-representing-13-trillion-call-on-govts-to-make-human-rights-due-diligence-mandatory-throughout-investment-lifecycle>

¹⁶ <https://eu2019.fi/en/events/2019-10-07/business-and-human-rights-towards-a-common-agenda-and-action>

¹⁷ <https://www.shiftproject.org/news/fulfilling-the-state-duty-to-protect-mandatory-measures-smart-mix/>

- It could function as a role model on the world stage and could have agenda setting effects outside the EU/EFTA.
- It could also disincentivize the practice whereby companies move their headquarters to those jurisdictions where they end up being less regulated.

For those reasons, Fair Wear is positive towards mandatory measures as part of a smart mix.

HOW CAN VOLUNTARY INITIATIVES AND MANDATORY DUE DILIGENCE COMPLEMENT EACH OTHER?

Mandatory HRDD can help increase overall compliance with the OECD guidelines and UNGPs in the garment industry. Regulation can incentivize to play by the rules for all actors. However, due diligence according to the OECD guidelines is about having a strategy and procedures in place to identify the root causes of problems, work towards remediation and aim at continuous improvement. Companies need to be equipped to handle these responsibilities in a tailored and practical manner.

Although states are obliged to proactively prevent human rights violations, regulation by law is unlikely to set standards for high quality strategy and procedures as well as provide excellent practical guidance to companies. Implementation of human rights due diligence remains a responsibility of companies themselves. Voluntary initiatives, such as Fair Wear can provide tailored guidance to companies working in the garment industry to create robust strategies and procedures that allow companies to conduct their HRDD at a high level and take responsibility for their negative externalities. By providing companies the opportunity to properly register their risks and prevention and remediation plans, companies can show that they have taken all due care. Our added value is not limited to "How to" toolkits (which could also be provided by consultants), but as an MSI we set high normative standards and stimulate brands to adopt these norms by providing practical guidelines. The OECD guidelines might mention what risk areas to consider but Fair Wear can give garment and textile brands genuine practical guidance regarding risk assessment, prevention and remediation.

Related to social issues in the garment industry, Fair Wear is perfectly positioned as it supports brands in all six steps of the OECD guidelines. We guide our brands through every step of the due diligence process with practical guidance and a mirror on their own purchasing practices. This is especially relevant for SMEs, most of our member base, which oftentimes do not have the resources to fully understand the requirements and implement due diligence strategies and procedures.

Moreover, more companies will be interested in ways to comply with OECD guidelines if a legal obligation is established. This will give us an opportunity to increase our impact beyond our own member base and mainstream training materials, tools and measures to a larger audience. Examples are Fair Wear's grievance mechanism or the labour minute costing methodology and its tools. By aligning appropriate measures for sector-specific topics in the industry, MSIs and other voluntary initiatives can enable companies to fulfil due care and comply with legislation in a way that truly benefits workers and ensures human rights are protected.

Fair Wear's position

We acknowledge the strength of the smart mix in its full potential and support a movement towards mandatory HRDD. For the best outcomes of such legislation we would like to see the following ambitions included:

- Work towards an aligned **regional approach at EU/EFTA level** to maximize the benefits of mandatory HRDD.
- A bill should have the **ILO Conventions, UNGPs and the OECD Guidelines** as the basis for implementation. Workers and trade union rights and responsible business conduct should be included.
- **Make mandatory HRDD compulsory for all companies**, regardless of their size. At most companies should be given the opportunity to grow in the implementation of due diligence. Timelines for implementation should be in line with the capacity, resources and leverage in the supply chain of a given company. Proportionality should be taken into account in line with the UNGPs and OECD guidelines.
- Mandatory HRDD should aim for a due diligence system and procedures that **encourages continuous improvements in the entire supply chain** over mere compliance.
- A bill should **cover all companies' operations**, including their own activities, the operations of their subsidiaries and controlled undertakings, and their business relationships, including their whole supply and subcontracting chains, franchise and contract management.
- Enforcement mechanisms should not be solely **focused on remediation** (after adverse impacts are raised) **and combined with the responsibility to cease, prevent and mitigate activities** that are causing or contributing to adverse impacts. Businesses should have proper monitoring in place to track implementation of due diligence in order to learn and improve due diligence processes.
- We should **encourage companies to join voluntary multistakeholder approaches** and Enforceable Brand-Worker Agreements (EBWAs) in order to leverage their efforts. Voluntary multistakeholder approaches and EBWAs can provide the frameworks for companies to take due care.
- **Workers, trade unions** or their legitimate representatives should be **included in the definition and implementation** of companies' due diligence initiatives.

In addition to any regulation, it is also important to retain focus on other policy instruments at both national and European level, such as:

- **Public procurement policies:** Public authorities account for a significant part of GDP and can play an enormous role in advancing socially responsible practices. They can lead by example by integrating human rights due diligence in the procurement processes.
- **Trade preferences and investment policies** can influence the protection of human rights, for example through free-trade agreements with clauses on human rights monitoring and possible sanctioning. Mandatory HRDD could accelerate momentum for human rights in trade negotiations and give input to free-trade agreements.

Fair Wear remains its commitment to engage for the adoption, ratification and implementation of the UN Treaty on Business and Human Rights.

APPENDIX I: NATIONAL MOVEMENTS FOR MANDATORY HUMAN RIGHTS DUE DILIGENCE

Country	Type of initiative	Summary	Government & parliament steps
Austria	Civil society movement & MP initiative / draft law	Civil society including the Network on social responsibility of corporations (NeSoVe) is calling for a mandatory human rights due diligence law. Also, in July 2018, the Social Democratic Party submitted a draft bill on social responsibility in the garment sector to the Austrian parliament.	The draft bill on social responsibility in the garment sector was referred to the relevant parliamentary committee but deliberations have not yet started.
Belgium	Civil society movement	In April 2019, a group of civil society organizations published an open letter calling for a Belgian law mandating companies to conduct human rights due diligence.	In a December 2019 speech, Belgium's Deputy Prime Minister and Minister of Finance and Development Cooperation said he would support a mandatory human rights due diligence law at EU-level.
Denmark	MP initiative with civil society, trade union, consumer & company support	In January 2019, three Danish political parties put forward a parliamentary motion that calls on the Government to introduce a bill on human rights due diligence for all large, as well as companies in high-risk sectors. The motion is supported by >100 NGOs, FH Danish Trade Union Confederation, The Danish Consumer Council as well as the Danish pharmaceutical company Novo Nordisk.	The parliamentary motion is under consideration by the relevant committee.
Finland	Civil society movement with company & trade union support	In September 2018, a coalition of over 140 civil society organizations, companies and trade unions launched a campaign calling for mandatory human rights due diligence.	The new Social Democrat-led Finnish government commits to mandatory human rights due diligence in its official program . According to the program, released in June 2019, the government will conduct a survey with the goal of adopting a national law on human rights due diligence. The government program also includes a commitment to promoting due diligence legislation at the EU level.
France	Approved law & civil society action	Enacted in 2017, the duty of vigilance law mandates large French companies to publish and implement a vigilance plan in order to identify and prevent human rights risks linked to their activities. A group of NGOs	The National Assembly adopted the duty of vigilance law in 2017.

		including Action Aid, Les Amis de la Terre France, Amnesty, Terre Solidaire, Collectif Éthique sur l'Étiquette and Sherpa (members of Forum Citoyen pour la RSE) is conducting ongoing assessments of companies' existing vigilance plans. In addition, CCFD-Terre Solidaire and Sherpa, with the support of Business & Human Rights Resource Centre, launched a website to identify companies subject to the law and make accessible published vigilance plans.	
Germany	Draft legal proposal & civil society movement	In 2016, the Green Party presented a motion to the parliament on mandatory human rights due diligence for companies. The same year, a coalition of scholars and NGOs including Amnesty, Bread for the World, Germanwatch and Oxfam presented a legal proposal for mandatory human rights due diligence. In September 2019, a coalition of 64 civil society organizations launched a campaign calling for a supply chain law.	In its coalition agreement on the National Action Plan on Business and Human Rights, the Government states it will consider introducing legislation if by 2020 less than 50 percent of German companies with over 500 employees have human rights due diligence processes in place. In February 2019, German media reported on a draft legal proposal developed by the Federal Ministry for Economic Cooperation and Development (BMZ). The proposal is yet to be discussed by other government ministries. In December 2019, he and the Federal Minister for Labor and Social Affairs (BMAS) announced they will draft a human rights due diligence proposal.
Italy	Civil society action	Human Rights International Corner has published an OVERVIEW OF Law 231/2001 on the administrative liability of legal entities and its implications in relation to business and human rights, as well as a report on the strengths and weaknesses of the law as a model for mandatory due diligence.	Under its National Action Plan on Business and Human Rights, the Government has committed to a review of existing law to assess legislative reform introducing human rights due diligence for companies.
Luxembourg	Civil society movement	In March 2018, a coalition of 16 civil society organizations launched an initiative calling for the introduction of a duty of vigilance for companies headquartered in Luxembourg.	The 2018 coalition agreement commits the Government to supporting initiatives to strengthen the human rights responsibilities of companies.
Netherlands	Approved law & civil society movement	Civil society such as the MVO Platform has welcomed the adoption of the child labour due diligence law in May 2019. However, NGOs are calling on the Government to	In May 2019, the Senate voted to approve the child labour due diligence law which requires companies to

		investigate the possibility of broad due diligence legislation.	identify, prevent and assess the issue of child labour in their supply chains.
Norway	Civil society movement & MP initiatives	In January 2019, the Norwegian Forum for Development and Environment presented a letter to the parliament's Justice Committee stressing the need for human rights due diligence legislation. A wide civil society alliance calls for a human rights law for businesses that moves beyond potential transparency requirements (see right column).	The Norwegian Government, based on two parliamentary resolutions, appointed an expert committee in August 2018 to investigate a potential law on ethics information and a right to information on companies' human rights impacts. In November 2019, the committee published a draft act on supply chain transparency, the duty to know and due diligence. Also, the parliament's Justice Committee has recently discussed a potential Norwegian Modern Slavery Act, as proposed by an opposition MP (the Forum's letter was an input to this debate).
Sweden	Civil society movement	In May 2019, CONCORD Sweden's Working Group for Business & Human Rights (14 members) has published a position paper calling for the Government to investigate the possibility of mandatory human rights due diligence.	In March 2018, the Swedish Government Agency for Public Management released a report recommending that the Government investigate the possibility of mandatory human rights due diligence.
Switzerland	Draft law as formal response to civil society initiative	The Swiss Responsible Business Initiative , launched in 2015 by a coalition of civil society organizations, seeks to introduce an article to the Swiss constitution making human rights due diligence mandatory for companies.	The initiative is currently under review in parliament – in June 2019, the National Council (lower house) reaffirmed its decision to pursue an indirect counter-proposal including a due diligence obligation; the Council of States (upper house) has so far rejected the initiative as well as a counter-proposal.
United Kingdom	Approved law & Civil society movement	In April 2019, a group of civil society organizations launched a campaign calling for a mandatory human rights due diligence law.	Modern Slavery Act 2015 was approved. In April 2017, the UK Joint Committee on Human Rights released a report in which it recommended the introduction of a duty of care on all companies.

Source: Business & Human Rights Resource Center¹⁸

¹⁸<https://www.business-humanrights.org/en/national-movements-for-mandatory-human-rights-due-diligence-in-european-countries>