



## The urgent need for a new UK law on business and human rights - a 'Business, Human Rights and Environment Act'

The UK was once a pioneer on business and human rights. But now, the UK is clearly falling behind other countries in its duty to protect our human rights and environment from corporate abuse.

The UK was the first country to develop a 'Business and Human Rights National Action Plan' based on the UN Guiding Principles on Business and Human Rights (UNGPs) and one of the first to pass a domestic supply chain law, in the form of S.54 of the Modern Slavery Act.

The clear next step for the Government, following a year where it has chaired the G7 and COP26, is to show global leadership by introducing a new law to require companies to conduct human rights and environmental due diligence in order to prevent and mitigate the risks that they pose to rights – as called for by the universally approved Guiding Principles. This law, which we refer to as UK 'Business, Human Rights and Environment Act' must also include legal liability for harm - modelled on the UK Bribery Act's 'failure to prevent approach' as already recommended by Parliament's [Joint Committee on Human Rights](#) - to ensure access to remedy for victims of abuses.

We are encouraged that the Government now [says](#) that it: *“...would need to be persuaded that any proposals to mandate supply chain due diligence in UK law are practical, proportionate and would deliver tangible improvements to the protection of people’s rights in the UK and elsewhere in the world.”*

And we stand ready to work with the UK Government and Parliament to help develop the practical and effective new law called for by civil society, business and the UK public.

The case for such new due diligence laws was unequivocally made by the practical and proportionate framework elaborated by the UNGPs and resolutely supported by the UK Government. Crucially, the UNGPs explain that a [‘smart mix’](#) of measures including binding laws set out by states are necessary to foster business respect for human rights.

Such new laws form a new international consensus on business and human rights. But as other countries move ahead with their plans for a new generation of domestic laws to hold business to account for such abuses, the UK is fast becoming a laggard on this vital issue.

European states and the EU bloc itself are now introducing new laws placing due diligence obligations with liability on companies operating in their jurisdictions - in many instances, these laws will apply to UK companies doing business in these states.

This will have major consequences for these businesses, compounding an already distinct lack of clarity and certainty on their legal obligations on human rights abuses and environmental destruction. And if good practice in the UK remains to be only encouraged by voluntary guidelines or limited and toothless reporting obligations, companies doing the right thing will face a clear competitive disadvantage.

As a [statement](#) endorsed by 36 businesses and investors, including the British Retail Consortium, John Lewis Partnership, Tesco, Asos, Primark, Microsoft and Twinings outlines: *“We call on the government to introduce a new legal requirement for companies and investors to carry out human rights and environmental due diligence.*

*“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.”*

Central to ensuring such a new law is practical and delivers tangible improvements to people’s rights and the environment is accountability backed up by enforcement. Where S.54 of the Modern Slavery Act, a limited reporting obligation with low compliance, has unquestionably failed, there is a clear need for a new law that, through strongly enforced accountability measures, places the focus on the fundamental need for abuses to be prevented in the first place.

As the statement from UK businesses and investors says: *“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.”*

Due to the global nature of UK business value chains, a new UK law would have a global impact on the improved realisation of human rights. But it would also have clear effect in the UK.

As an expert [legal opinion](#) into the potential liability of Boohoo for alleged supply chain abuses in Leicester finds, Boohoo's story is, "... a compelling example of a situation in which such legislation might have made a difference".

In the absence of new laws we face a profound '[governance gap](#)' in how we regulate business on human rights and the environment, which includes the impact of public sector commercial activities – and the result of this governance gap is that it creates potential and actual corporate impunity for the ongoing abuses of human rights and unjust environmental destruction suffered by people and communities in the UK and around the world.

While the UK has recently passed the Environment Act, its limited, sectoral due diligence approach to deforestation notably excludes internationally recognised human rights - against the express advice of the Government's own multi-stakeholder [taskforce](#). A combined approach to human rights and the environment is needed to protect forests, ecosystems and communities from abuse.

It is increasingly clear that the UK public is also in support of rules to ensure business behaves responsibly. This is clear from [polling](#) of the UK public and also the more than 50,000 people who have signed a [petition](#) telling Parliament that: "*We need a new law to hold business and the public sector to account when they fail to prevent supply chain human rights abuses and environmental harms.*"

A 'Business, Human Rights and Environment Act' would ensure the UK is in step with other countries introducing new corporate accountability laws incorporating mandatory due diligence. It will help resolve the confusing patchwork of regulations faced by UK businesses while ensuring the 'level playing field' called for by UK business. It will ensure that the public sector sets a template for the responsible behaviour and sustainable conduct government expects of business. And it would ensure the UK statute book keeps pace with [English Common law](#), under which UK parent companies can now, under certain conditions, be held liable for harms committed by their subsidiaries - the UK Supreme Court has now ruled unanimously on two occasions that the scope of such potential liability is broad and can encompass public commitments on human rights and sustainability which are not honoured.

Most importantly, a new law can help protect the rights of people and communities around the world from potential or actual corporate abuse.

It is not enough to only 'encourage' business to undertake human rights and environmental due diligence: soft law approaches are not sufficiently effective to change how businesses operate with respect to human rights. While the UK has made progress in recent years, it must now step forward with the binding laws we urgently need to change the situation faced by people, workers and communities around the world suffering abuses of their rights and environment.

The time to act is now.