



What the changing business and human rights legal landscape means for businesses in India

The [Global Business Initiative on Human Rights](#) (GBI) and the [World Business Council for Sustainable Development](#) (WBCSD) convened a workshop series on 14 September 2021.

Nearly fifty business practitioners from a diverse range of companies in India came together to discuss how the changing business and human rights legal landscape will impact their companies – and what they can do to get ready.

Key takeaways and insights from the discussion include:

- **Human rights due diligence is becoming a matter of hard legal compliance.** Human rights-related reporting requirements have become more widespread over the past decade. However, governments are increasingly introducing legislation that requires companies to go further and implement human rights due diligence processes. The European Union (EU) is currently in the process of developing a draft mandatory human rights and environmental due diligence law, as part of a broad package of initiatives to create a more sustainable economy. France, Germany and Norway have already enacted due diligence laws, while similar initiatives are underway in a number of other European countries, and under discussion in Mexico. Mandatory due diligence requirements are the direction of travel, and businesses would be well-advised to anticipate that they will become increasingly commonplace.
- **Legal developments in Europe and around the world will affect businesses in India.** An increasingly broad range of companies fall directly within the scope of emerging mandatory due diligence laws. For example, the forthcoming EU law is expected to apply to EU-domiciled companies, as well as companies that sell or provide services in the internal market. So, Indian companies that conduct business in the EU may be required to comply with European mandatory due diligence laws. Further, these laws increasingly expect companies within their scope to conduct effective human rights and environmental due diligence across their supply chain. The EU law may go further and require value chain due diligence – which would require companies to strengthen their product and customer due diligence. Accordingly, Indian companies in global value chains should expect stronger pressure to demonstrate good human rights risk management from their investors, customers and other business partners. For more information, see GBI's insight pieces on: [What an EU-level law will mean for business](#) and [Responsible Product Usage](#).
- **Implementing effective human rights due diligence is key to positioning your business to meet hardening expectations.** Emerging regulatory requirements are increasingly using the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines for](#)

[Multinational Enterprises](#) as the reference point for human rights due diligence obligations. Effective human rights due diligence should enable your company to identify, understand and respond to human rights risks and issues that it is involved in on an ongoing basis. It should also be informed by engagement with relevant stakeholders, including affected people and groups. Good human rights risk management will require effort, creativity, teamwork and collaboration, reflecting that people can be impacted by business activity in complex ways. Ideally, human rights due diligence processes will be supported by a policy commitment to meet the company's responsibility to respect human rights, strong senior management support and effective grievance processes. For more details, see: [GBI Business Practice Portal](#), WBCSD's [CEO Guide to Human Rights](#) and [Getting Ready for Mandatory Due Diligence: Five Steps Businesses Can Take Now](#).

- **Human rights due diligence is not one size fits all and should be tailored to fit your business.** Because human rights due diligence focuses on risks to people, which can often be complex, it is important that human rights due diligence moves beyond checklists and off-the-shelf tools. To that end, dialogue is central to human rights due diligence, including dialogue with suppliers, employees, communities, and other stakeholders. Sometimes these conversations are not easy. As one business put it, 'if the conversations aren't making you uncomfortable, you're (probably) not doing it right'. The COVID-19 pandemic has made it more difficult to speak to people in-person, but has also highlighted the need to put people first. Lastly, partners in the supply chain or colleagues across the business should maintain ownership over human rights due diligence. Find ways to bring them along and engage them in the process. For example, *self-reflection* questionnaires may elicit a more positive and collaborative response than *self-assessment* questionnaires, which may leave colleagues or suppliers feeling judged. For more details on Getting Started with your Human Rights Due Diligence, see: [GBI Business Practice Portal](#).

Looking ahead

This workshop was organised as part of an ongoing collaboration between WBCSD and GBI to support practical discussions among business practitioners in India on implementing respect for human rights.

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