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**HUMAN RIGHTS DUE DILIGENCE SERIES**

Understanding Global Due Diligence: From Regulation to Implementation and Investigation

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**PART 1: IMPETUS FOR CHANGE – Navigating the Evolving  
Human Rights Landscape in Global Supply Chains**





# HUMAN RIGHTS: FROM SOFT LAW TO HARD LAW



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The global human rights agenda, driven significantly by societal pressure, is gaining momentum. Several jurisdictions, including the U.S., Canada and the EU, are working towards or have committed to introducing mandatory human rights due diligence regulations. The trend is undeniable: human rights oversight is shifting from soft law to hard law. Governments are becoming increasingly serious about addressing human rights abuses and broader ESG concerns in corporate supply chains.

Traditionally, companies have treated human rights as a corporate social responsibility issue, driven by at least two factors. First, existing modern slavery regulations, such as the [California Transparency in Supply Chains Act](#) and the [UK's Modern Slavery Act](#), focus primarily on reporting and disclosure. Second, the enforcement has been limited until now, but regulators are now taking a step further by [mandating companies](#) to perform audits and establish compliance programs that can monitor supply chains on an ongoing basis. As a result, compliance professionals are intensifying their focus on due diligence.

Much of the current human rights due diligence legislation is anchored in the [OECD's updated 2023 guidelines](#), outlining six key principles companies must adhere to:

**1. RESPECT HUMAN RIGHTS:**

Ensure operations do not infringe on human rights.

**2. AVOID AND ADDRESS IMPACTS:**

Prevent and mitigate adverse human rights and environmental impacts.

**3. MITIGATE LINKED IMPACTS:**

Prevent or mitigate adverse impacts linked to their business operations, products, or services.

**4. POLICY COMMITMENT:**

Maintain a publicly available policy to respect human rights.

**5. DUE DILIGENCE:**

Conduct due diligence appropriate to the size, nature, and context of operations.

**6. REMEDIATION:**

Provide or cooperate in the remediation of adverse impacts they have caused or contributed to.



## THE CORRUPTION AND HUMAN RIGHTS VIOLATIONS NEXUS

The link between corruption and human rights is evident across various domains. In regions where corruption is endemic, it correlates keenly with negative human rights impacts, including inadequate protection of social rights and a lack of equality. Taking this thought further, corruption in the public sector itself can be reframed as a violation of human rights.

Several international NGOs, including the [UN Human Rights Council](#) and the [UN High Commissioner for Human Rights](#), have been advocating a human rights-based approach to combating corruption. This approach is promising for at least two reasons: first, the human rights monitoring bodies will have the mandate to address corruption directly; second, individuals affected by corruption would be more empowered to come forward with their cases, seeing more clearly how it interferes with the enjoyment of their basic human rights. This approach is likely to improve the implementation of both [anti-corruption and human rights protection](#) regulations.

For the private sector, viewing corruption through a human rights lens [helps companies recognize it as a broader societal issue](#), rather than just an internal problem. Anti-corruption and human rights protection regulations both have their origins in ethical principles. Regulators are likely to expect companies' human rights due diligence to mirror anti-corruption standards: proactively managing third-party relationships and addressing risks across the supply chain. For example, the [German Supply Chain Act](#) mandates that measures to prevent human rights abuses be reasonable and proportionate to the company's context, risk level, and potential impact.

Following this thinking, some companies have already taken steps to merge anti-corruption and human rights programs to have a holistic view

of related risks – but are these programs indeed interchangeable?

Although there are similarities between the two, it is important to realise that relying on the existing anti-corruption approach is insufficient for several reasons. Modern supply chains are [complex and fragmented](#), making it difficult for companies to gain full visibility. Lack of transparency and physical distance from labour and material sources further complicate the issue.

Internally, companies need specialised knowledge and expertise to identify modern slavery and human rights-related risk indicators which can sometimes differ significantly from those related to corruption. Moreover, the focus on providing an effective remedy and maintaining a victim-centred perspective is another key distinction and a new frontier compared to the anti-corruption efforts.

*Looking for insights on implementing an effective human rights due diligence program?*

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## GLOBAL DEVELOPMENTS IN HUMAN RIGHTS DUE DILIGENCE LEGISLATION

The focus on human rights violations is gaining traction with policymakers globally, and several countries have already introduced mandatory corporate due diligence requirements. Here's a brief look at where the main shifts are happening:

### EUROPE

In May 2024, the European Commission [approved](#) the Corporate Sustainability Due Diligence Directive ([CSDDD](#)), marking a significant step forward in the effort to eliminate forced labour and human rights violations from companies' supply chains. This Directive standardises human rights due diligence across the EU states, affecting both EU and

non-EU companies operating within its market. Individual member states, like [France](#), [Germany](#), and [the Netherlands](#), have enacted their own regulations, while non-EU countries such as [Switzerland](#) and [Norway](#) have introduced similar laws; however, Switzerland's VSoTr focuses only on the procurement of minerals and metals from conflict zones and child labour.

### NORTH AMERICA

In the U.S., [The California Transparency in Supply Chains Act](#) has been in place for some time. However, a significant shift occurred with the introduction of the [Uyghur Forced Labor Prevention Act \(UFLPA\)](#) in 2021. This federal legislation bans the importation of goods produced using forced labour in China, particularly from the Xinjiang Uyghur Autonomous Region, and imposes sanctions. Additionally, the UFLPA is enforced under the Trade Agreement between the

U.S. and its neighbours, Mexico and Canada, with such imports being subject to confiscation by U.S. authorities.

In 2024, Canada enacted the [Fighting Against Forced Labour and Child Labour in Supply Chains Act \(Bill S-211\)](#), which introduced mandatory human rights due diligence reporting with penalties for non-compliance.

### PACIFIC AND ASIA

Australia's [2018 Modern Slavery Act](#), modeled after the UK's legislation, sets a regional precedent. Although New Zealand lacks specific legislation, it is a signatory to the [International Labour Organization \(ILO\)](#). Japan has been a leader in promoting human rights due diligence in Asia, with voluntary [HRDD guidelines](#) published in 2023. South Korea, however, is deliberating a bill to [impose mandatory human rights due diligence](#) obligations on employers.

*Feeling overwhelmed by the EU's human rights due diligence requirements and their impact on the global landscape?*















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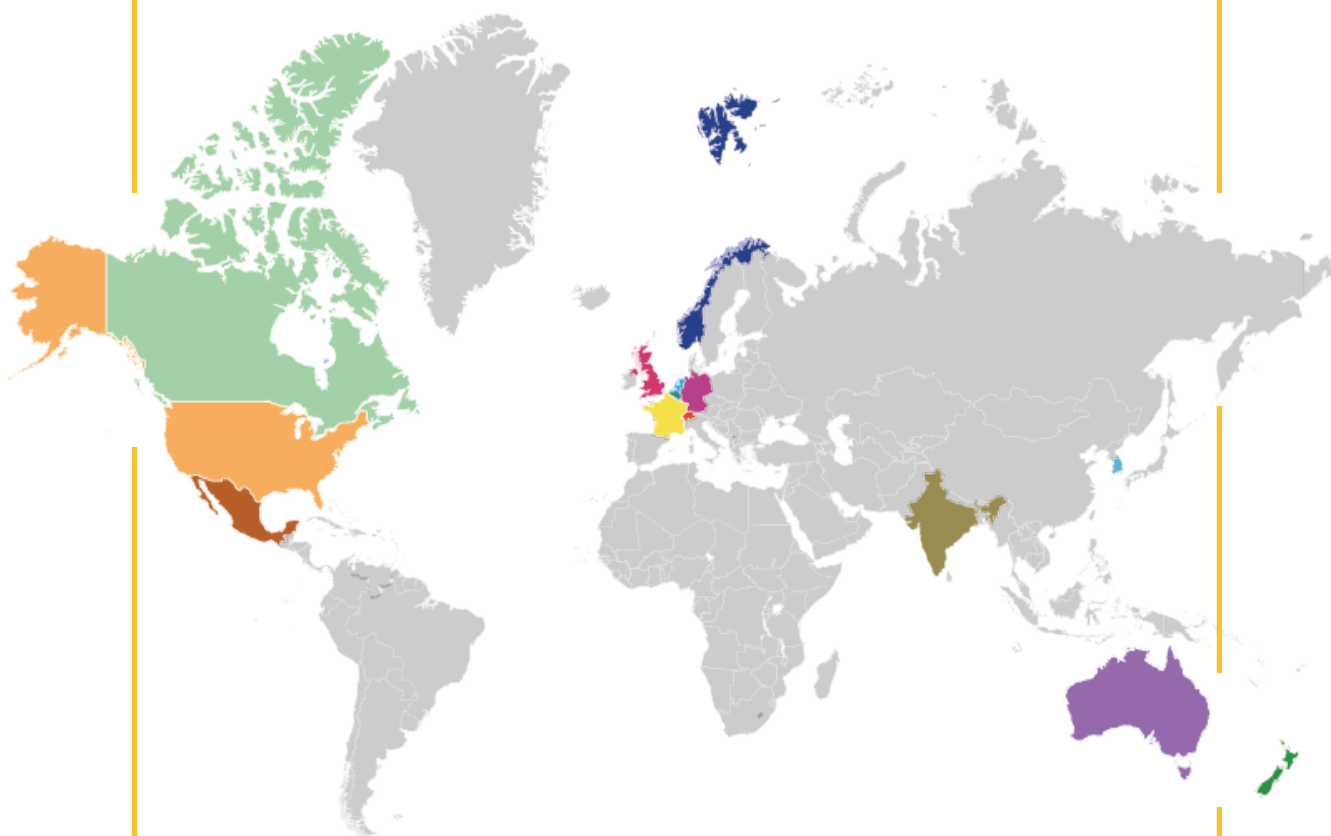


## EU & OTHER DUE DILIGENCE REGULATIONS

*Source: Sustainable Views*

One of the most hotly debated EU regulations, the Corporate Sustainability Due Diligence Directive (CSDDD), is only one of a number of other similar initiatives around the world. The CSDDD would require large companies to report and address human rights and environmental considerations in their operations, corporate governance and supply chains.

- |   |  |  |
|---|--|--|
|  United States |  Norway         |  India       |
|  Canada        |  United Kingdom |  South Korea |
|  Mexico        |  Netherlands    |  Australia   |
|   |  Germany        |  New Zealand |
|   |  France         |  |
|   |  Belgium        |  |
|   |  Switzerland   |  |



## ADOPTING A PROACTIVE APPROACH TO HUMAN RIGHTS DUE DILIGENCE

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The previous approach to human rights due diligence, based on voluntary initiatives, has proven ineffective, with poor adherence and fragmented legal frameworks creating confusion. Regulators worldwide made moves to create a binding level playing field, though with mixed results.

For example, France's Corporate Duty of Care law has led to several investigations and a 2023 conviction, but without penalties, highlighting the slow and challenging enforcement process.

In contrast, the U.S., has seen notable success in halting the importation of goods alleged to originate from forced labour in China. While no prosecutions have occurred yet, importers have been served with detention notices and the onus is on the companies to prove that their supply chain is clean. The confiscation of these goods indicates that the US is taking human rights

violations seriously, and enforcement of the UFLPA is expected to ramp up.

The UK, however, lags behind its allies like the U.S. and EU. A June 2024 Court of Appeal ruling overturned a decision on investigating cotton imports from China's Xinjiang region, emphasising the urgent need for new UK legislation to prevent profiting from forced labour.

As human rights in corporate supply chains increasingly become a legal issue, companies must proactively adjust the scope and structure of their compliance programs to prepare for the inevitable. Despite the slow legislative progress, societal pressure – fuelled by consumer backlash, boycotts, and reputational risks – underscores the need for swift action. Ignoring these demands poses not only legal risks but also threatens business success in the longer term.

## SOCIETY'S EXPECTATIONS: THE ETHICAL IMPERATIVE

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Supply chain ethics, once overlooked, have come under scrutiny due to accessible technology, social media access and press coverage. Tragic incidents like the Rana Plaza disaster in Bangladesh and reports of child labour in electronics mining have shocked the public and sparked demands for reform.

The push for ethical supply chains extends beyond Generation Z, with surveys indicating a growing trend across all age groups favouring sustainable and ethically produced goods. This broader societal movement is driven by heightened awareness of global issues, a desire for transparency, and the influence of social movements advocating for human rights and environmental sustainability.

Social media has been crucial in amplifying consumer voice, with campaigns like #WhoMadeMyClothes and 'Fair Trade' gaining traction. The online activism pressures companies to disclose supply chain practices and commit to improvements. NGOs and advocacy groups, including Human Rights Watch and Amnesty International, have been instrumental in investigating abuses, raising public awareness, and prompting consumer action.

Compliance teams recognise that current measures to address human rights violations in the supply chain are insufficient. To truly make a difference, they must secure stronger buy-in from senior leadership and integrate ethical supply chain management into corporate strategy.



## CONCLUSION

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As global standards tighten and the shift from soft law to hard law in human rights due diligence accelerates, companies can no longer afford to overlook these critical obligations. The future will increasingly involve mandatory compliance with international standards, supported by robust enforcement mechanisms.

To meet heightened legal expectations and avoid losing consumer trust, companies must move quickly to ramp up the scope and structure of their human rights due diligence processes, recognizing the interconnectedness of anti-corruption and human rights efforts.

By acting now, companies will not only navigate this complex landscape more effectively but also position themselves as leaders in ethical business practices.

Explore *our resources* for the next articles in this series and gain valuable insights to enhance your human rights due diligence strategy.

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