



THE DANISH
INSTITUTE FOR
HUMAN RIGHTS

EU REGULATORY TRENDS IN BUSINESS AND HUMAN RIGHTS

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AGENDA

1. Introduction – how did we get here and what do the main international frameworks expect?
2. The emerging regulatory environment – how do the pieces fit together?

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1. INTRODUCTION

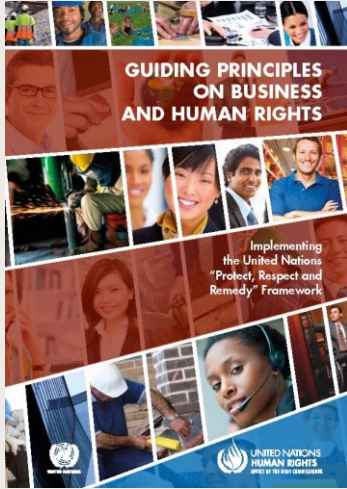
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THE DEVELOPMENT OF BHR REGULATION



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THE UNGPS: THREE PILLARS



Pillar One



State duty to protect

Effective policies, legislation, regulation, and adjudication

Pillar Two



Corporate responsibility to respect

Exercise human rights due diligence

Pillar Three

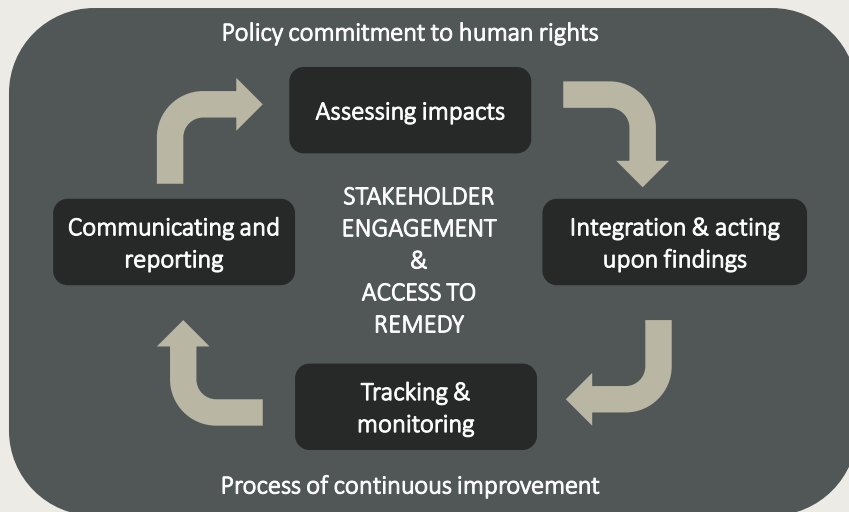


Access to remedy

Access by victims to effective remedies - judicial and non-judicial

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PILLAR II: HUMAN RIGHTS DUE DILIGENCE



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PILLAR I: LAWS RELATING TO BHR

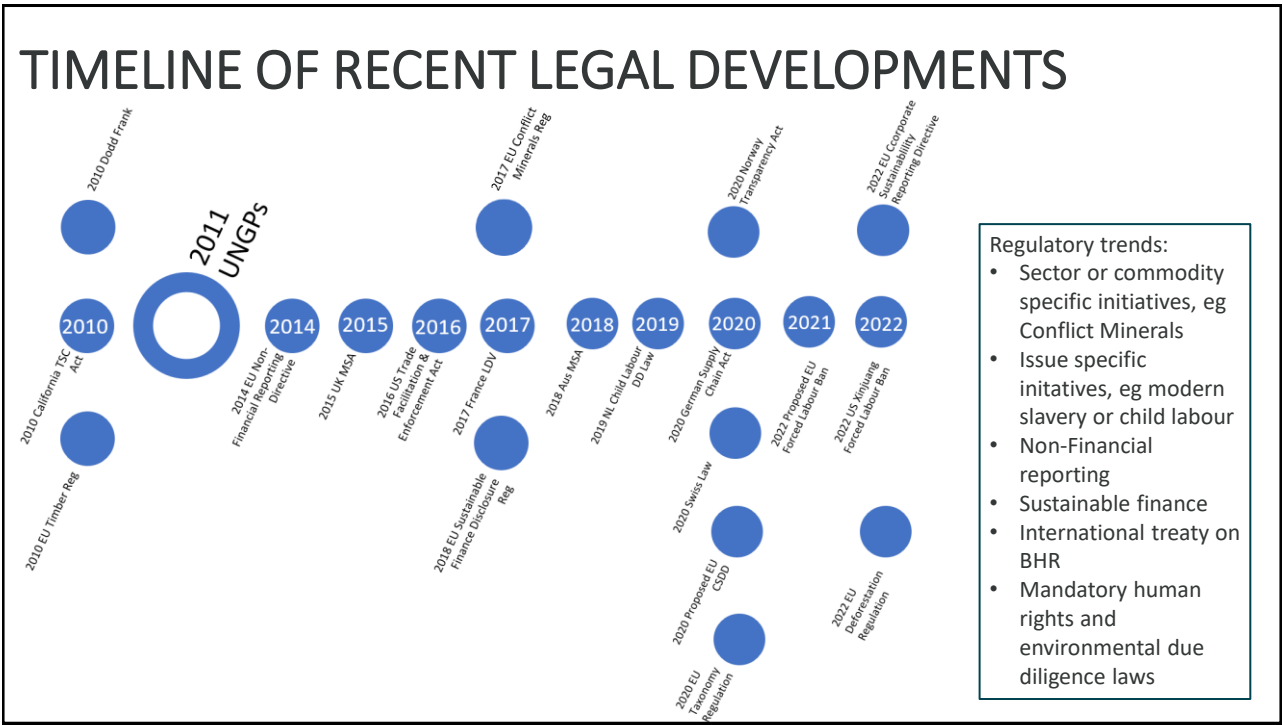
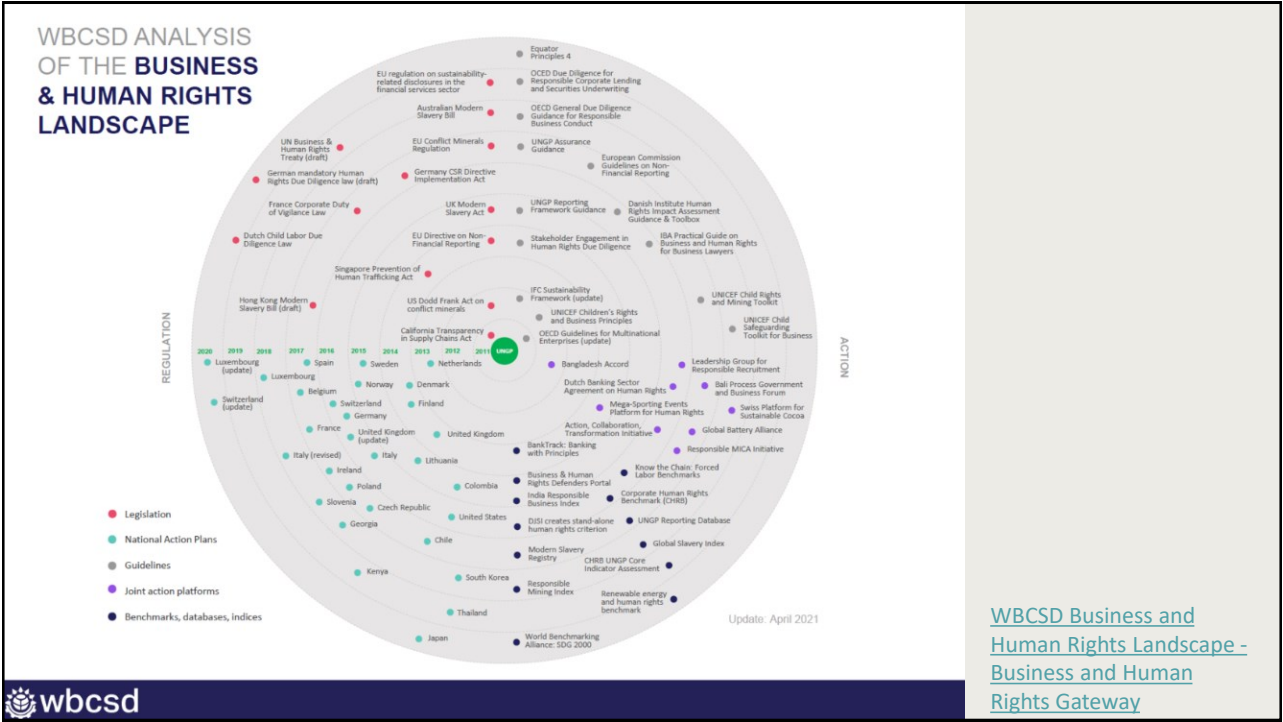


- UNGP3: States primarily discharge their duty to protect human rights through enacting and enforcing laws
- Laws regulating business impacts on people and planet can take a range of forms (i.e., regulating labour standards; company law; non-financial reporting; consumer law; environmental protection; prohibitions on certain conduct that causes harm; etc.)
- Trend towards the introduction of mHREDD laws – the "hardening of soft law"

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2. THE EMERGING REGULATORY ENVIRONMENT

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THE CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE



- **What is it?**

A mandatory human rights and environmental due diligence law with some corporate governance aspects

- **What stage is it at?**

Commission proposal published in February 2022; Council General Approach in November 2022; Parliament adopted its position on 1 June 2023; trilogue commenced in June; agreement reached December 2023; now ???

- **BHR standards?**

Generally aligns with the process of HRDD in the UNGPs and OECD Guidelines, with some departures

- **Due Diligence?**

Large companies and certain medium companies (EU and non-EU) to undertake DD on a range of human rights and environmental impacts.

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HOW DO THE PIECES FIT IN THE PUZZLE?

Making sense of EU regulatory initiatives related to business and human rights

[LINK: How do the pieces fit in the puzzle? Making Sense of EU regulatory initiatives related to business and human rights](#)

Overview of EU Files

Overarching policy initiatives

Company focused initiatives	Finance focused initiatives	Trade and import controls
<ul style="list-style-type: none"> • Corporate Sustainability Due Diligence Directive • Corporate Sustainability Reporting Directive 	<ul style="list-style-type: none"> • Sustainable Finance Disclosure Regulation • Green Taxonomy • Social Taxonomy Extension 	<ul style="list-style-type: none"> • Forced labour ban • Deforestation Regulation • Timber Regulation • Conflict Minerals Regulation

HOW THE PIECES FIT TOGETHER?

- **CSDDD** introduce due diligence obligation on real economy & financial sector entities (entity)
- **CSRD** address disclosures of real-economy companies (entity)
- **SFDR** address disclosures of the financial services sector (entity and activity)
- Financial actors will rely on information from **CSRD** standards to meet their **SFDR** obligations and align investments with **Taxonomy** (activity and entity)
- **Import controls** in various ways restrict access to EU market if certain human rights an environmental criteria are not met



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THANK YOU

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