

CLIENT UPDATE

UK GOVERNMENT PUBLISHES ACTION PLAN IMPLEMENTING UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

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On 4 September, the UK Government released its *Action Plan on Business and Human Rights*, the beginning of the UK's implementation of the *UN Guiding Principles on Business and Human Rights*, becoming one of the first countries to produce such a plan. The UN Guiding Principles were developed in 2011 by former Special Representative for Business and Human Rights for the UN Secretary General, John Ruggie. They are recognised as a global standard for preventing and addressing the risks of adverse impacts on human rights from business activity.

The Action Plan provides clarity on the UK Government's own human rights obligations and outlines its expectations of businesses. The Action Plan emphasizes that, in accordance with the Guiding Principles, all business enterprises domiciled in the UK will be expected to respect internationally recognized human rights when operating in the UK and overseas.

The UN Guiding Principles were endorsed by the Human Rights Council in 2011 and are premised on the "Protect, Respect and Remedy" framework which establishes that States have a duty to *protect* human rights and companies have a responsibility to *respect* human rights. Effective remedies must be available to redress violations of those rights.

Responding to the UN Guiding Principles, the UK Action Plan underscores that the promotion of business and human rights go hand in hand: by maintaining high ethical standards and ensuring respect for human rights, businesses enhance their appeal to consumers, investors and staff while reducing reputational, legal and operational risks.

Specifically, the Action Plan states that the UN Guiding Principles should guide the approach that UK companies take with respect to human rights, wherever they operate. The Action Plan states that the key principles of this approach are to:

- comply with all applicable laws and respect internationally recognised human rights, wherever they operate;
- honour the principles of internationally recognised international human rights when conflicts arise;
- treat as a legal compliance issue the risk of causing or contributing to human rights abuses wherever they operate;
- adopt due diligence strategies to identify, prevent and mitigate human rights risks;
- consult groups that may be affected at all stages of project design and implementation;
- emphasise the above principles to supply chain contacts both in the UK and overseas;
- ensure that effective and transparent grievance mechanisms are available to remediate any adverse human rights impacts; and
- be transparent, particularly through annual reporting.

The Government has stated that it will provide support to businesses to meet their responsibilities by developing sector-specific guidance and sharing best practices. Diplomatic missions will also be instructed to assist companies to understand human rights risks that they face when operating abroad. These measures will complement the existing *Overseas Business Risk* service, jointly operated by the Foreign Commonwealth Office and UK Trade and Investment.

The Action Plan will not introduce any regulatory or legislative changes. However, it highlights that an existing clarification of the Companies Act 2006 requires company directors for large companies to include in their annual reports, to the extent necessary for an understanding of the development, performance or position of the company's business, information on human rights issues (from 1 October 2013). In addition, it signals the Government's intent to include provisions on corporate responsibility in future investment agreements and to ensure that these agreements do not undermine the host country's own compliance with human rights, environmental or social standards.

The Action Plan is available at: <https://www.gov.uk/government/publications/bhr-action-plan>.

For more information on the above, or on Debevoise & Plimpton LLP's *Business and Human Rights Initiative*, please contact Sophie Lamb (Partner) in the London Office.

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Please do not hesitate to contact us with any questions.

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