Global Business? Global Responsibility!

Swiss companies that threaten human rights and the environment through their economic activities abroad must take responsibility. This is the message with which a broad coalition launches the Responsible Business Initiative today in Bern. The initiative seeks to ensure that Swiss companies are compelled to integrate the protection of human rights and the environment in their business practices.

Catastrophic working conditions in textile factories in Asia or Eastern Europe, abusive child labour in cocoa production in West Africa, toxic emissions in Zambia: Swiss companies are also involved in such injustices through their global activities. Switzerland ranks 20th of the world economic powers. Yet according to a study by Maastricht University, which rated 1,800 cases of human rights abuses carried out by companies, Switzerland then occupies the inglorious 9th place. Although this discrepancy has led to a great deal of discussion in the last years, concrete measures nevertheless remain absent. The Swiss Federal Council and Parliament continue to focus exclusively on voluntary measures for corporations. In mid-March 2015 Parliament narrowly rejected a motion from the Commission for greater corporate responsibility. So although the problem is recognized, greater pressure from civil society is required to introduce mandatory requirements.

This is why a popular initiative is being launched today by a broad coalition of different organizations. The Responsible Business Initiative aims to require that all Swiss companies carry out human rights and environmental due diligence. This instrument is based on the United Nations Guiding Principles on Business and Human Rights adopted in 2011. According to these principles, companies must first review all their business relationships and activities with a view to identifying potential risks to people and the environment. Then they must take effective measures to combat the potentially negative impacts identified. And as a third step, companies are required to report transparently on the violated rights that they have identified, as well as the related measures taken.

In order to ensure that all companies carry out their due diligence obligations, Swiss corporations should also be made liable for human rights abuses and environmental violations caused by companies controlled by them. However where a company can credibly demonstrate that it carried out adequate due diligence and that it took all necessary measures, that company can be exempted from liability. The initiative therefore has a preventative effect and gives companies a real incentive to do the right thing.

Cornelio Sommaruga, former president of the International Committee of the Red Cross (ICRC) and current member of the Initiative Committee sees the initiative as an important step for the country as an economic location: “Switzerland has a great responsibility both as the country of headquarters for humanitarian organizations as well as the home of many multinational companies. In the interests of the reputation of our country, we have to make our companies responsible too.” Other home states of globally active corporations are also aiming for regulation of their companies. At the end of March, the National Assembly in France endorsed a draft bill that goes in the same direction as the Responsible Business Initiative. Antoinette Hunziker-Ebneter, the ex-president of the Swiss stock exchange and current CEO of Forma Futura Invest AG underlines: “With this initiative we can create a new basis upon which voluntary initiatives by the private sector and civil society to protect human rights and the
environment can be interwoven with state regulatory action. Companies are provided with a binding tool to minimize their risks. This strengthens their value as well as their competitiveness.”

The 66 launching organizations are now collecting signatures for the Responsible Business Initiative.

Further information can be found in this factsheet (in English) and at www.initiative-multinationales.ch (in French, German and Italian only).

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Notes to the Editor:

In the Swiss political system, a popular initiative leads to a binding referendum if the initiators manage to collect 100,000 signatures across 18 months. Assuming the requisite number of signatures is collected in time, a vote would not be expected for another 3 years.