



## International Business and Human Rights

Businesses operate in a complex global environment and face unique challenges when operating in areas affected by social, political and economic instability or when managing larger, more sophisticated supply chains. The convergence of technology, social media and more targeted activism also means consumers, investors and shareholders often find out about human rights impacts before businesses do.

### KEY CONTACTS

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Understanding human rights impacts is an essential component of integrity, risk management and citizenship. In addition to minimizing litigation risks, demonstrating respect for human rights is vital to building a culture of trust and integrity, protecting brand profile and enhancing reputation, managing investor and shareholder relations and making companies attractive business partners.

The increasing convergence of human rights standards, such as the United Nations Guiding Principles on Business and Human Rights, with domestic legislation and international standards also demonstrates a global trend of expected business conduct. Businesses need a proactive approach that balances short-term goals with a long-term vision. An effective strategy that takes into account emerging expectations of business conduct can also enhance business stability, productivity, and long-term profitability.

DLA Piper has a dedicated International Business and Human Rights team led by international business and human rights lawyers with multi-jurisdictional, cross-practice experience to support business in this emerging area.

### Risk management

Sound risk management is about having effective systems and processes for identifying and preventing or responding to adverse human rights, social and community impacts. The journey starts with a strong policy commitment to set the tone from the top on a business's approach to human rights.

### Reporting and disclosure

Reporting and disclosure requirements are increasingly focusing on encouraging transparency and requiring businesses to disclose human rights, social and community risks as well as information on human rights policies and their effectiveness. Examples include the UK Modern Slavery Act 2015, narrative reporting requirements in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the "Dodd-Frank Act", the Californian Transparency in Supply Chain Act 2010 and developments across Europe for transparency-based legislation and the implementation of the non-financial reporting Directive.

## Crisis management

When operating in emerging markets businesses often face unforeseen social, political and economic challenges due to poor governance, corruption, political instability and social incohesion. In contrast to risk management, which involves identifying potential impacts and seeking to avoid them, human rights crisis management involves dealing with unforeseen impacts as they occur.

When a business faces criticism or unexpected human rights-related issues, such as adverse impacts on physical or sexual integrity of workers or local community members, or land rights related disruption to operations, DLA Piper can help clients effectively respond with its global investigation and crisis management capability.

## Supply chain management

An estimated 80% of global trade passes through supply chains, so it is vital for businesses to manage human rights issues associated with them. This is integral to protecting brand, managing legal, regulatory and reputational risks and for effective expansion into new markets. Sustainable supply chains and ethical procurement procedures make good business sense and create long-term social and economic value for all stakeholders involved in bringing products and services to the market.

## Project finance

Institutional investors and financial institutions increasingly require businesses to identify and manage social and human rights issues related to their activities as a condition of providing funding. Examples of standards that incorporate requirements related to human rights include the IFC Performance Standards, Equator Principles, OECD Common Approaches and OECD Guidelines on Multinational Enterprises and are applicable to most of the world's largest financial institutions.

## INSIGHTS

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### Publications

#### **Update: The Hague Rules on Business and Human Rights Arbitration**

18 February 2020

The recently released Hague Rules on Business and Human Rights Arbitration may assist and encourage the widening of the ambit of arbitration beyond commercial disputes to those concerning the effect of commercial activities on human rights.

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#### **Supply chain human rights risk management: Blockchain and emerging technology**

8 NOV 2018

Global businesses, financiers and investors are faced with an increasingly complex and interconnected legal, financial and reputation risk agenda related to human rights and other responsible business conduct issues.

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#### **What can Al Capone teach us about business and human rights?**

23 MAY 2018

You may well ask - how on earth can a mafia capo in Chicago from the early 20th century have anything to do with Business and Human Rights in the 21st century?

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## Events

## Previous

### TopCo liability panel

25 JUN 2019

London

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## NEWS

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### Frank Ryan discusses the trade war with Yahoo Finance

9 Sep 2019

**Highlight:** “Where we are right now is in a political phase in this debate, and... we need to get to a practical phase,” says @DLA\_Piper’s Frank Ryan on the trade war. “The sooner we get stability for major multinationals in China regarding IP protection, the better off we’ll be.” [pic.twitter.com/u0y kzF8m89](https://pic.twitter.com/u0y kzF8m89)

— Yahoo Finance (@YahooFinance) September 9, 2019

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### DLA Piper announces partnership promotions for 2019

1 APR 2019

DLA Piper is proud to announce that 77 lawyers have been promoted to its partnership. The promotions are effective as of April 1, 2019 in the United States and May 1, 2019 for EMEA and Asia Pacific. The promotions were made across many of the firm’s practice areas in 43 different offices throughout 20 countries.

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### DLA Piper hosts leading business and diplomacy conference

14 MAR 2019

DLA Piper’s London office has hosted the Annual Conference of the International Diplomatic and Business Exchange (IBDE).

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### DLA Piper's GTGA team named Sanctions Law Firm of the year 2018

27 JUL 2018

DLA Piper’s Global Trade and Government Affairs (GTGA) team has been named Sanctions Law Firm of the year, Europe, at this year’s WorldECR Awards.

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### DLA Piper announces partnership promotions for 2018

3 APR 2018

DLA Piper is proud to announce that 62 lawyers have been promoted to its partnership. The promotions are effective as of 1 April 2018 in the United States and 1 May 2018 for EMEA and Asia Pacific. The promotions were made across many of the firm’s

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practice areas in 42 different offices throughout 20 countries.

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### **DLA Piper advises Timor-Leste on historic maritime treaty**

6 MAR 2018

DLA Piper has been advising the Government of Timor-Leste, for more than four years, on its historic maritime treaty with the Australian Government, signed today at the United Nations Headquarters in New York, following the successful outcome of a compulsory conciliation process.

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