

Protecting our common home:
The case for a Business, Human Rights and Environment Act
Briefing – June 2022

Summary

- CAFOD is calling for a new Business, Human Rights and Environment Act to mandate human rights and environmental due diligence in supply chains in order to prevent abuse from happening and to hold companies to account when they fail to prevent harm, modelled on S7 of the [Bribery Act 2010](#).
- A new law would enhance the protection of vulnerable people around the world who are experiencing human rights abuse, environmental destruction and the impacts of the climate crisis, linked to British business through their supply chains, subsidiaries and investments.
- This legislation is both feasible and popular: it is [recommended](#) by Parliament's Joint Committee on Human Rights and [confirmed](#) as legally feasible by the British Institute of International and Comparative Law. It is called for by [businesses and investors](#) and nearly [100,000 people](#) in the UK who have signed a petition.
- This legislation would help to ensure a level playing field for all businesses operating on the UK market, and be in line with advances being made in [many other countries](#). It would help the UK to retain leadership on business, human rights and the environment, and to lead the way on making COP26 pledges a reality.

We urge you to express your support in Parliament at every available opportunity, to ask questions, join debates and sign motions/pledges in support of this call.

A new Business, Human Rights and Environment Act

- The law should impose a duty on commercial organisations to prevent adverse human rights and environmental impacts of their domestic and international operations, products and services including in their supply and value chains.
- It would require companies to conduct human rights and environmental due diligence to identify, prevent, mitigate and account for the actual and potential impacts of their activities on people and the environment, in the UK and globally.
- The law must include effective sanctions and liability provisions (civil and criminal) and provide for effective access to justice for victims.
- This law should be modelled on section 7 of the [Bribery Act 2010](#) which sets out how a company can be held liable for corrupt activity if they failed to take adequate steps to prevent it being committed by their employees or associated persons.
- The law should cover companies in all sectors and of all sizes carrying out business in the UK, with the scope of a company's actions determined by its size, sector and activities. The finance sector would be included, and there would be requirements for public bodies.
- The key principles of such a law, as called for by more than 35 UK NGOs and trade unions, [can be found here](#).

Why a Business, Human Rights and Environment Act is needed

The global social and environmental impacts of UK companies

Human rights defenders work peacefully to safeguard the earth's natural resources and biodiversity for future generations, but they face criminalisation, harassment and violence – even death. CAFOD's report, [Protecting Our Common Home: Land and environmental human rights defenders in Latin America](#), shows that states and businesses are driving attacks against human rights defenders and systematically undermining their work.

UK companies not exercising adequate due diligence in their global operations and supply chains, are contributing to this abuse. Many companies evade responsibility for the social and environmental costs of the products they buy and sell. Others are failing to assume their responsibilities to prevent and to address adverse impacts that occur as a result of their subsidiaries' activities. Others provide funding that allows these activities to occur, profiting from violations committed out of sight.

Illegal gold mining is creating deadly conflict, deforestation and poisoning water sources in Yanomami Indigenous Territory in the Brazilian Amazon.

Indigenous Peoples and local communities are the best protectors of the Amazon, with 45 per cent of intact forest within [Indigenous-occupied](#) land – but they face threats, violence and murder. Indigenous communities are facing renewed threats from legal reforms proposed by the Brazilian government that would open up vast tracts of indigenous lands for mining, logging and agribusiness.

Nearly [30% of gold exported from Brazil is illegal](#), and the UK is the financial centre of the mining industry and a major importer of gold from Brazil. This 'blood gold' is [likely to be in the supply chains](#) of UK companies.

Current legislation and voluntary approaches are not addressing the problem

The Modern Slavery Act (2015) Transparency in Supply Chains provision, while world-leading when introduced, it is now widely considered to be [not fit for purpose](#) to prevent forced labour abuses and modern slavery in supply chains. [UK company Boohoo](#) failed to tackle abusive working conditions in its supply chain, yet the company was fully compliant with the Modern Slavery Act. Tackling the human rights, environmental and climate impacts of UK companies necessitates not only requiring company disclosure of risks, but also requiring bold action by companies to prevent harm.

Voluntary initiatives by business have failed to prevent harm. The legislation CAFOD is calling for would be consistent with the UK's commitments to implement the UN Guiding Principles on Business and Human Rights (UNGPs), which recommend a ['smart mix' of voluntary and legislative approaches](#) to tackling irresponsible business activity.

There is need for an integrated approach to human rights and the environment

Legislation must cover [social and environmental abuse](#) in supply chains, which occur across all sectors and industries. This would be in line with a 2021 UN Human Rights Council resolution on the right to a safe, clean, healthy and sustainable environment. In 2021, the Business, Human Rights Resource Centre recorded [615 attacks against human rights defenders raising concerns about business](#), with 70% against climate, land and environmental rights defenders.

While we welcome Schedule 17 of the Environment Act, which prohibits use of certain agricultural commodities associated with illegal deforestation in UK companies' supply chains, it does not cover mined commodities, nor does it explicitly cover the human rights of those defending their forests and land. CAFOD is calling for a stronger law covering human rights and environmental impacts, going beyond specific deforestation-linked commodities. The government's own multi-stakeholder

taskforce, the [Global Resource Initiative](#), recognises that mandating due diligence for deforestation-risk commodities should be a first step, and that wider environmental and human rights impacts associated with other commodities should also be addressed.

The benefits of this new legislation

The proposed legislation has proven feasible and popular

The Joint Committee on Human Rights [recommends](#) that “the Government should bring forward legislation to impose a duty on all companies to prevent human rights abuses, as well as an offence of failure to prevent human rights abuses for all companies, including parent companies, along the lines of the relevant provisions of the Bribery Act 2010.” This model has been found to be legally feasible by the [British Institute of International and Comparative Law \(2020\)](#).

Public opinion also supports greater regulation of business. To date, nearly 100,000 people have [signed a petition](#) calling for a “new law to hold business, finance and the public sector to account when they fail to prevent supply chain human rights abuses and environmental harms.” This aligns with [polling](#) showing that UK public opinion across all ages strongly supports new rules to punish companies that do not act responsibly over helping companies to succeed.

A new law would level the playing field for companies and investors

[Thirty-six leading UK businesses](#) including John Lewis, Primark, Asos and Tesco are calling on the government to introduce a legal requirement for companies to carry out human rights and environmental checks on their global supply chains, stating that “to level the playing field in practice, the requirement needs to be accompanied by consequences that will be strong enough to ensure that businesses that fall within the scope of the legislation carry out HREDD to a high standard and that victims have access to justice.” [Anticipated benefits for businesses](#) include fair competition for businesses that are already acting responsibly, legal clarity, and more sustainable and resilient supply chains in the long-term, including preparing businesses to react better to future pandemics.

A new law would ensure a level playing field for all businesses operating on the UK market, in line with advances being made in [many other countries](#), including [Germany](#), [France](#), [Switzerland](#), the [Netherlands](#), [Belgium](#), [Norway](#) and [Finland](#). In 2022, the European Commission tabled a proposal for an EU Directive on ‘Corporate Sustainability Due Diligence’, set to apply to UK companies operating in the Single Market with turnover above a [specific threshold](#). Failure to keep step could cause a confusing patchwork of regulations and an uncertain landscape for businesses.

A new law would help the UK to retain leadership on business and human rights

At COP26 the UK pledged to support the conditions for a [just transition internationally](#), including to “urge businesses to ensure their supply chains are free of human rights abuses, including through carrying out corporate due diligence” and to “consider the wider environmental, health, social and employment impacts of the operation of global supply chains, including the importance of building climate resilience into supply chains across all industries.”

If the UK wishes to lead the way in tackling the climate crisis and building more resilient supply chains, it must ensure that the law upholds high standards for British companies – no matter where in the world they operate. Introducing a new law as outlined above could help the UK to deliver its ‘Global Britain’ vision and retain its leadership on business and human rights.

The future of our planet, and the courageous women and men who protect it, is at stake. The Government must take bold and ambitious action to ensure that UK businesses serve the common good and our common home.

For more information, please contact: Louise Abraham, Parliamentary Adviser: labraham@cafod.org.uk | Louise Eldridge, Lead Analyst – Private Sector: leldridge@cafod.org.uk