



REGULATORY CHANGE AND MULTINATIONAL ENTERPRISES (MNEs) – EVOLUTIONS IN DUE DILIGENCE REQUIREMENTS IN GLOBAL SUPPLY CHAINS

A webinar organized by the AIB Sustainability Shared Interest Group (SIG)

Monday 7th June 2021, 2PM BST (British Summer Time)

MNEs are under increasing pressure to ensure that their supply chains are sustainable. Several high-profile industrial accidents in developing countries, most notably the Rana Plaza collapse in Bangladesh in 2013, raised public consciousness about the risks associated with the unregulated expansion of global value chains (GVCs) around the world. Although self-regulatory certification systems and multi stakeholder initiatives seeking to address such risks have grown rapidly, civil society, and the public more broadly, are often skeptical about the effectiveness of these approaches. Governments have therefore come under increasing pressure to regulate the international activities of their MNEs. The negative impact of COVID-19 on many developing country workers has further contributed to this dynamic. In this webinar we will explore the evolution of Human Rights Due Diligence (DD) from voluntary corporate actions to increasing government regulation, highlighting, in particular, recent developments in the EU and its member states.

Claire Bright (Nova Law School, Lisbon and British Institute of International and Comparative Law) will discuss the overall context, where at the global level, the UN Guiding Principles on Business and Human Rights, agreed in 2011, established guidelines for both states and MNEs aimed at preventing and addressing human rights abuses within global business operations. Several countries have gone further and enacted regulations which seek to ensure that their MNEs address risks within their supply chains. Initial efforts, in the US (the California Transparency in Supply Chains Act, 2010) and the UK (the Modern Slavery Act 2015) focused on modern slavery and required transparency and reporting. Recent initiatives, including at EU level, have moved beyond slavery and seek to impose DD requirements along supply chains.

The first such legislation was the French Duty of Vigilance Law of 2017, which imposes a legal standard of care on large companies, with the potential for legal action in case of non-compliance. **Louise Curran (TBS, France)** will highlight the key aspects of this law, its implications for MNEs and briefly discuss the first cases currently winding their way through the French legal system.

Another key EU member state, Germany, has recently shifted from a long tradition of favoring voluntary self-regulation and has tabled a new law on DD. **Elke Schüßler** (Johannes Kepler University, Linz, Austria) will discuss the state of play in Germany and draw on her research in the post-Rana Plaza garment sector to discuss its likely impacts on MNEs.

This webinar will be of interest to IB scholars, practitioners and policy makers interested in better understanding existing and proposed regulations on DD in supply chains and what they mean for companies, workers and the environment operating within global production networks.

Speaker Bios

Claire Bright is Assistant Professor in Private Law and the Director of the Nova Centre on Business, Human Rights and the Environment at Nova Law School in Lisbon, as well as an Associate Research Fellow at the British Institute of International and Comparative Law. Claire regularly organizes short courses, events and training in the field of Business, Human Rights and Sustainability. Her work to date has resulted in a number of peer-reviewed scientific publications in English, French, Italian and Spanish. In addition, she has acted as a consultant and contributed to various expert studies and policy reports for Governments, civil society organizations as well as European and International organizations; including a recent study for the European Commission on due diligence requirements through the supply chains on the basis of which EU Commissioner for Justice, Didier Reynders, announced the introduction of an EU-level legislative initiative on mandatory human rights and environmental due diligence in 2021.



Louise Curran is Professor of International Business at TBS Education in Toulouse, France. Her research interests focus on the impact of government policy, especially trade policy, on sustainable development and the structure and geography of GVCs. She has widely published on these issues including in the Journal of Business Ethics, Business and Politics and the Review of International Political Economy.



Elke Schüßler is Professor of Business Administration and Head of the Institute of Organization Science at Johannes Kepler University, Linz. Her research focuses on the governance of labor standards in global supply chains and, more recently, in the platform economy. More broadly, studies institutional change in the light of social and environmental problems and has published on these issues in journals such as the Academy of Management Journal, Academy of Management Perspectives, Human Relations or Industrial and Labor Relations Review.



Co-moderators



John Dilyard

Co-Chair, AIB Sustainability SIG

St Francis College, New York



Shasha Zhao

Co-Chair, AIB Sustainability SIG

University of Surrey, UK