



La ética, energía que nos diferencia

Human Rights as the new Business Imperative

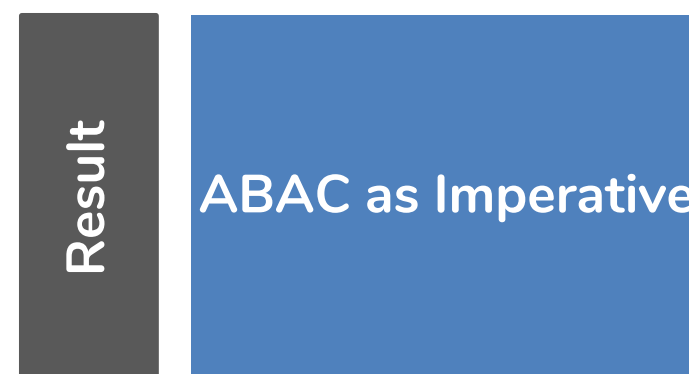
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THE ANTI-CORRUPTION IMPERATIVE

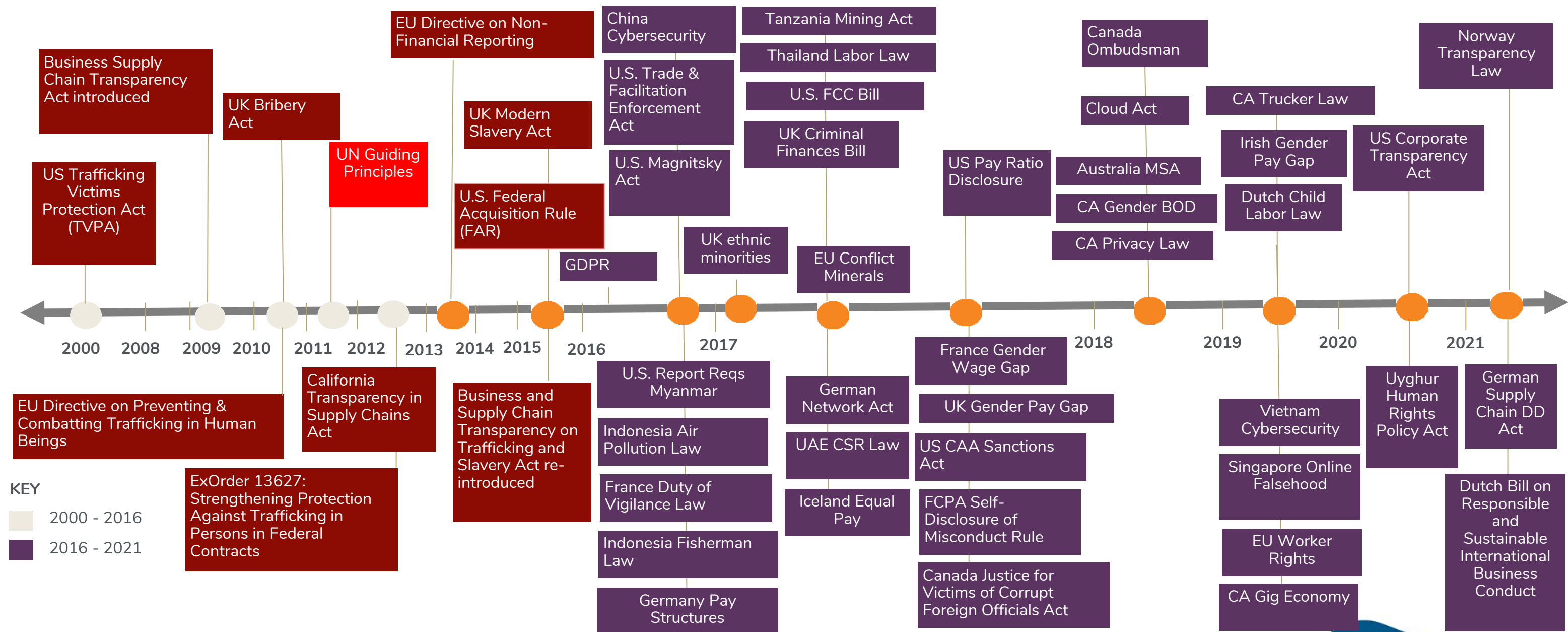


- Has become a core aspect of global business activity
 - FCPA: 1977
 - OECD: 1997
 - UNCAC: 2005
- Enforcement priorities in 2007 catapulted



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- Expected diligence, training, education, contracting, oversight
 - Lending & financing
 - M&A
 - Diplomatic export credit support
 - Public procurement

BUSINESS & HUMAN RIGHTS LEGISLATION: 2000 TO DATE





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9º FORO
ÉTICA DEL SECTOR ELÉCTRICO

UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

I. The State **duty to protect human rights** against abuses committed by third parties, including business through appropriate policies, regulation, legislation, and enforcement.

II. The Corporate **responsibility to respect human rights** by acting with due diligence to avoid infringing on the rights of others and addressing adverse human rights impacts.

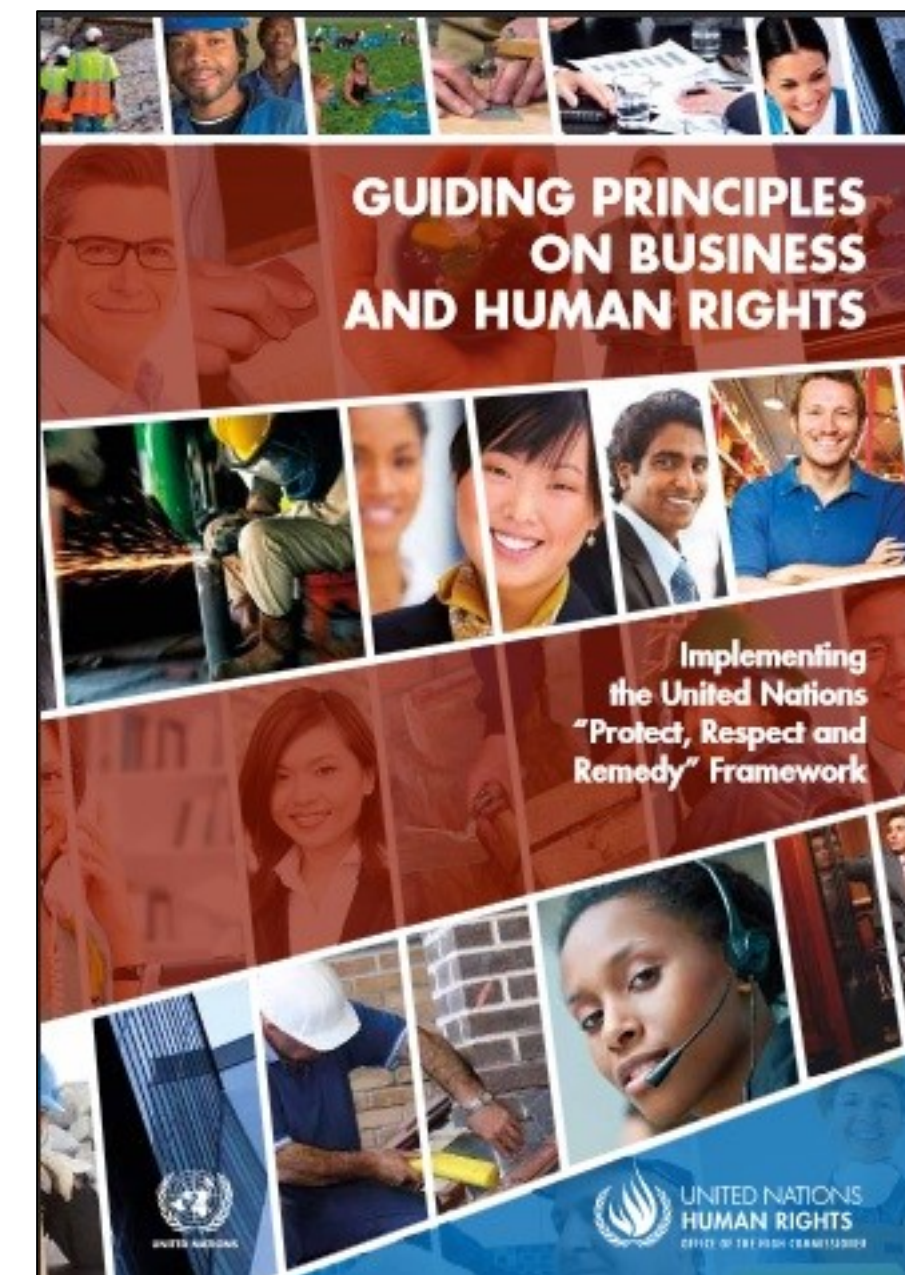
III. The need for **access to effective remedy**, both judicial and non-judicial, for victims of corporate-related abuse.

HUMAN RIGHTS

- International Bill of Human Rights
- ILO Core Conventions

HUMAN RIGHTS

- Focus on rights of stakeholders
- Remedy
- Transparency



ISSUES AND INCIDENTS



Building Collapses



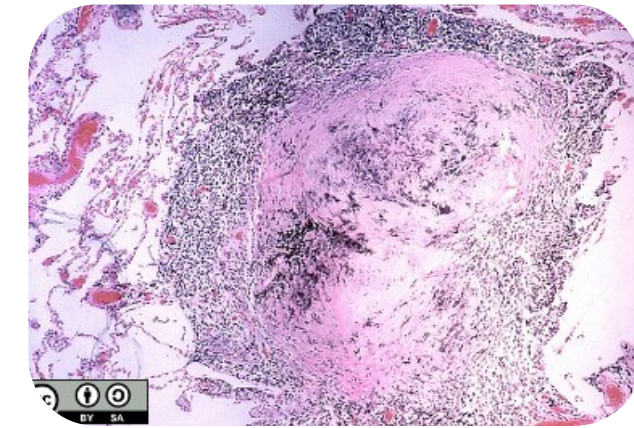
Tailings Dam Failures



Forced Labor in Supply Chains



Security Abuses



Workforce Chemical Exposures



Toxic Tort Spills



Technologies That Repress Elections



Sexual Harassment & Discrimination



Child Labor

LITIGATION, PENALTIES & SANCTIONS

CIVIL LITIGATION

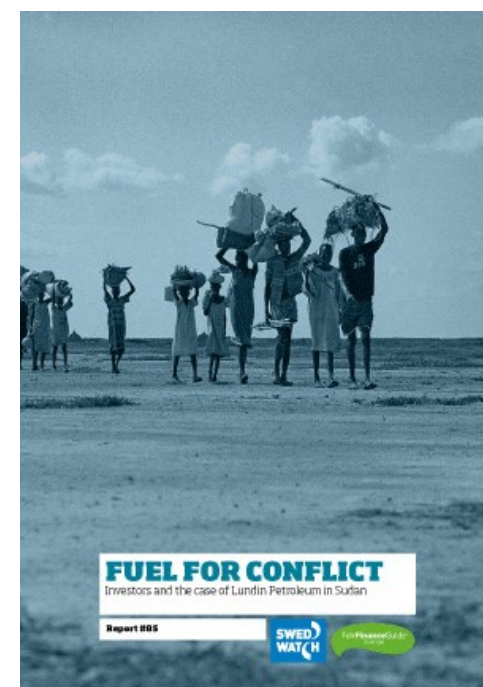
- US (TVPRA, tort, consumer protection, securities)
- UK (tort, duty of care)
- Canada (tort, customary international law)
- Netherlands (environmental)
- France (labor, terrorism)
- South Africa (tort, group action)
- Nigeria (environmental)

SANCTIONS & EXPORT CONTROLS

- Global Magnitsky
- CAATSA
- UN
- Export Controls

CRIMINAL EXPOSURE

- US (TVPRA)
- UK (slavery, CFA)
- Sweden (war crimes)



MODERN SLAVERY LAWS: DISCLOSURE



FEATURES

- *Disclosure laws*
- *Broad geographic reach*
- *Attestation by director (or officer)*
- *Enforcement*

Structure

The business structure and a summary of operations, supply chains

Policies

Policies relevant to slavery and trafficking, either standalone or included in other policies

Diligence

Diligence processes regarding slavery and trafficking in operations and supply chains (eg, understanding suppliers and subcontractors)

Risks

Parts of the business where there is a risk of slavery and trafficking taking place, nature of risks, steps to mitigate

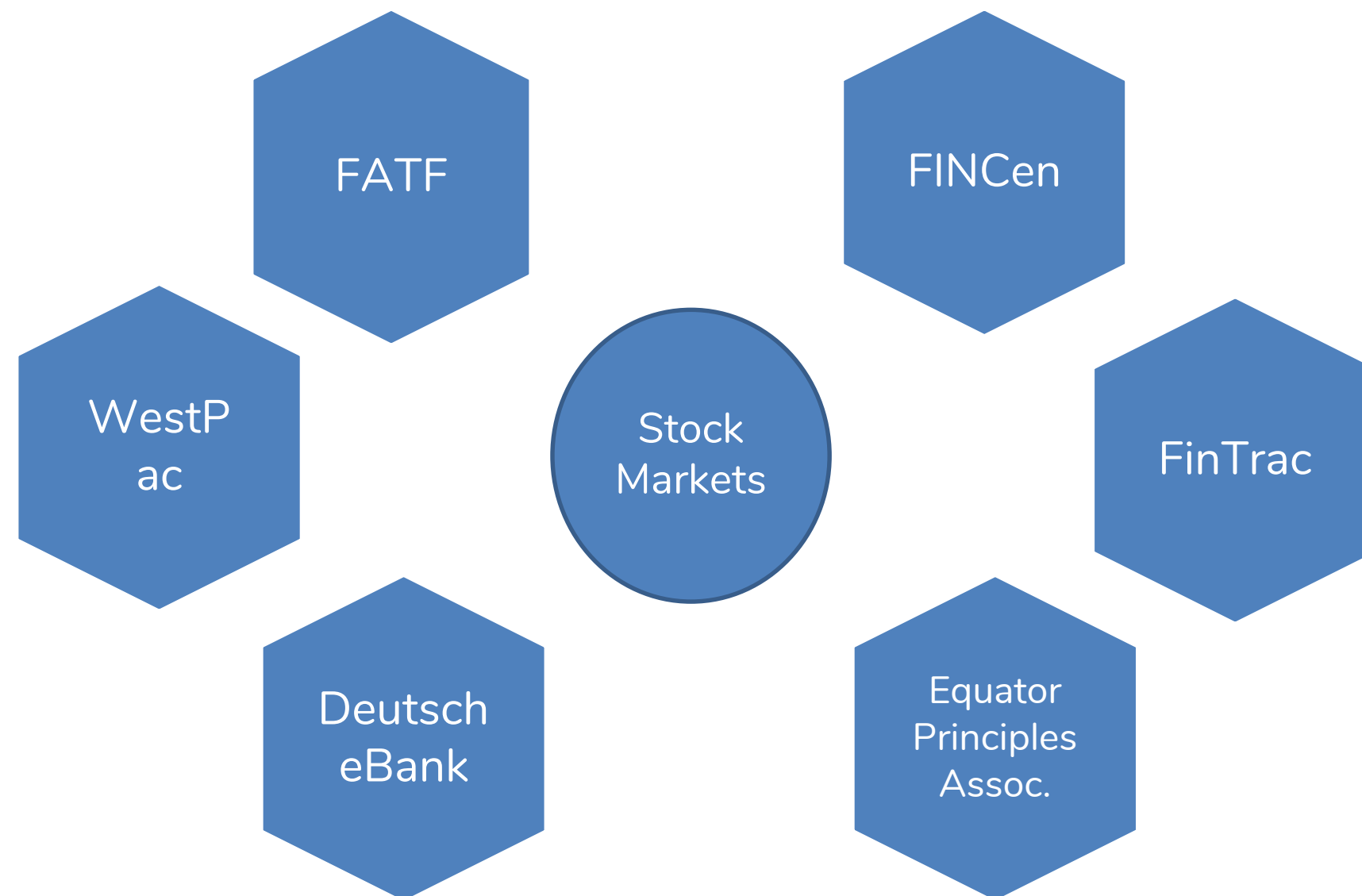
Effectiveness

Effectiveness of approaches to preventing slavery and trafficking in operations/supply chain, with performance indicators as deemed appropriate

Training

Approach to training on slavery and trafficking (eg, who gets trained, how are they trained, content, etc.)

HUMAN RIGHTS AND FINANCIAL INSTITUTIONS



OVERSEAS SUPPORT, AID, PUBLIC PROCUREMENT

Governmental
Aid

Economic
Diplomacy

Public
Purchasing

OPERATIONAL IMPACTS

- Forced labor import bans
- Export controls
- Boycotts, blockades, business interruptions
- Extractive sector study = \$20 million per week
- COVID -> resilience



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EUROPEAN MANDATORY CORPORATE DUE DILIGENCE LAWS

- French Corporate Duty of Vigilance Law (2017)

Mandatory legislation adopted

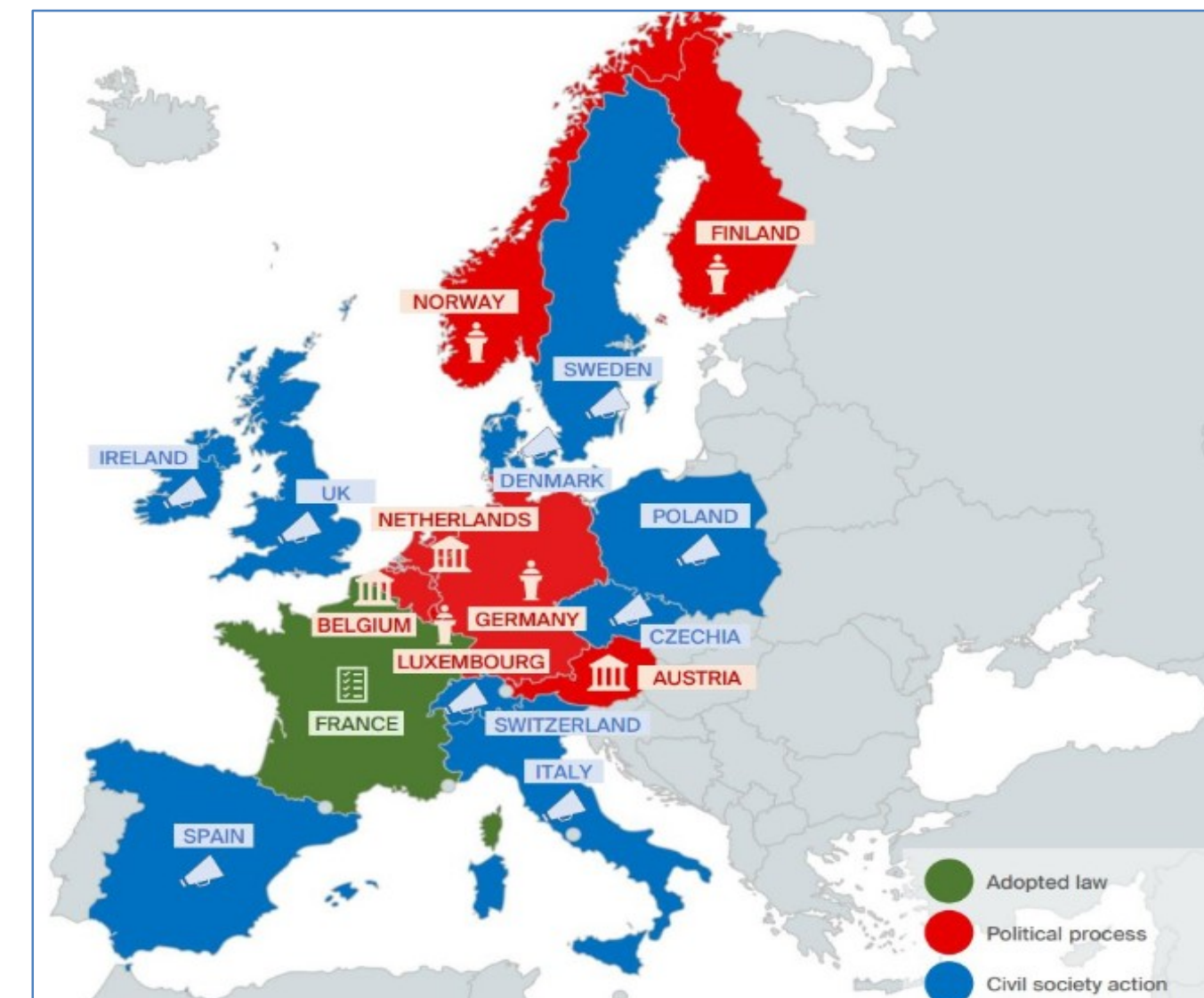
- Dutch Child Labor Due Diligence Act (11/2019)
- German Supply Chain Due Diligence Act (6/2021)
- Norwegian Transparency Law (6/2021)

Mandatory legislation in a draft stage

- Swiss Mandatory Human Rights Due Diligence (Parliament's Indirect Counterproposal after the RBI)
- Dutch Bill on Responsible and Sustainable International Business Conduct goes to Parliament
- Belgian Parliament Due Diligence Law proposal
- Austrian Parliamentary Supply Chain Bill

Mandatory legislation discussions advanced

- Luxembourg: Government commitment
- Finland: Government commitment
- Denmark, Sweden, Italy, Spain, Switzerland, UK



call

EU MANDATORY DILIGENCE DIRECTIVE

Jurisdiction	<ul style="list-style-type: none"> • EU-based entities, non-EU based entities doing business in the EU
Coverage	<ul style="list-style-type: none"> • Human rights, environmental, governance risks
Scope	<ul style="list-style-type: none"> • Operations, upstream, downstream
Core Requirement	<ul style="list-style-type: none"> • Diligence to identify/assess risks, remedial measures, assess effectiveness, report • Connection to business strategy and enforcement
Oversight	<ul style="list-style-type: none"> • Countries -> laws holding companies liable for impacts
Grievances	<ul style="list-style-type: none"> • Companies to create grievance mechanisms, provide remedies
Penalties	<ul style="list-style-type: none"> • Liability for not meeting DD requirements, diligence not a defense to liability for harms that occur

BUSINESS AND HUMAN RIGHTS AS AN IMPERATIVE

Policies &
Procedures

Due Diligence

Training &
Education

Grievance
Mechanisms
and Remedy

Governance

Transparency



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Thank you

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