**EU contribution to the call for inputs from the UN Working Group on Business and Human Rights for the report to the 50th session of the Human Rights Council on**

**“COVID-19 pandemic: lessons learnt and moving forward”**

**Introduction**

The European Union would like to thank the UN Working Group on Business and Human Rights for its call for inputs for the report “COVID-19 pandemic: lessons learnt and moving forward”. The contribution from the European Union follows the structure of the four questions of the consultation.

**EU’s contribution to each question**

***1) What were the most significant challenges and obstacles for your Government during the pandemic and the recovery period related to ensuring responsible business conduct? What kind of support or/and guidance would your Government welcome to prepare better for business-related human rights abuses linked to other, future crises?***

The ongoing COVID-19 pandemic caused a worldwide recession that has exacerbated global socio-economic inequalities, led to increased unemployment and threatened social cohesion. The socio-economic consequences have a growing negative impact on the enjoyment of all human rights, including fundamental freedoms, equality and the principle of non-discrimination, as well as on democracy and the rule of law. They also deepen pre-existing inequalities, increase pressure on persons in vulnerable situations.

Business enterprises and workers in Europe and all over the world face tremendous challenges in overcoming this extraordinary economic situation. The continued decline in working hours and substantial losses in labour income globally due to the COVID-19 pandemic mean that around half of the global workforce stand in immediate danger of losing their livelihoods.[[1]](#footnote-1) The pandemic have exacerbatedincome and labour market inequalities in all tiers of global supply chains and aggravated occupational health and safety and the exercise of fundamental labour rights.[[2]](#footnote-2)

The COVID-19 pandemic has, disproportionately affected persons in vulnerable situations, disadvantaged and marginalised, including those most affected by poverty, persons in the informal economy, unemployed persons, women and girls, persons with disabilities, older persons, persons belonging to minorities, LGBTIQ persons, migrants and refugees, children and youth.[[3]](#footnote-3)

In particular, women, children and migrant workers are affected and experience disproportionate human rights abuses, including business-related human and labour rights abuses. With women making up around 70 % of the global workforce in the healthcare and social sectors, they have been at the forefront of the response to the pandemic and disproportionately affected by job and income losses, labour exploitation, school closures, an increase in unpaid care work. They have also suffered increased domestic violence and interrupted access to sexual and reproductive health-care services. The pandemic also had a disproportionate negative effect on the rights of the child worldwide, in particular of those children living in already disadvantaged or vulnerable situation, as well as those affected by armed conflicts.

Moreover, attacks against human rights defenders, including defenders working on business-related activities, have sharply increased in some countries during COVID-19.

In this context, the EU has reaffirmed that crisis situations are a particular test for the realisation of all human rights and respect for democratic principles.[[4]](#footnote-4)

***2) What were the most important lessons learnt from the crisis and how can these lessons help in addressing business-related human rights abuses linked to other, future crises?***

The COVID-19 crisis has underlined the importance and urgency of a strong agenda on responsible business conduct. In some cases, the crisis has put further pressure on businesses and their workers by leading to new or aggravated impacts on human rights and labour rights. At the same time, it has shown that supply chains are more resilient when companies act responsibly and respect human rights, including labour rights and safe and healthy working conditions.[[5]](#footnote-5)

In particular, the pandemic has shown that, in order to manage crises effectively and flexibly, companies benefit from having an overview of their value chains, knowing their suppliers and cooperating with them. Social partnership plays a key role in addressing and mitigating the impact of the COVID-19 crisis and can only be effective if freedom of association and collective bargaining are protected.

Taking a responsible business approach based on internationally recognised standards[[6]](#footnote-6) and using risk-based due diligence to identify and address adverse impacts would bring short and long-term benefits.[[7]](#footnote-7) According to the OECD such an approach can “enhance companies’ capacity to build and increase resilience to better deal with current and future supply chain disruptions, and enhance their ability to access private and public finance.”[[8]](#footnote-8) More generally, it also contributes to achieving the Sustainable Development Goals and other global social and environmental goals and commitments. Overall, integrating responsible business conduct considerations in the companies’ operations and supply chains contributes to a faster and stronger recovery while making the economy more resilient to future crises.

* 1. ***3) Please outline any positive initiatives (highlighting those that were the most effective), including policies, legislation, and plans through which your Government contributed to:***
  2. ***a. creating and strengthening an enabling environment for businesses to respect human rights in their operations during challenging times and when emerging from the crisis;***
  3. ***b. mitigating the negative human rights impacts evident during the pandemic and likely to be present during future crises;***
  4. ***c. ensuring effective access to remedy for business-related human rights abuses caused during times of crisis.***

1. The EU has acted quickly through immediate economic relief measures addressing the employment and social consequences of the economic recession. The EU, its Member States and European financial institutions, acting together as “Team Europe” are at the forefront of the joint global COVID-19 recovery efforts. Team Europe has mobilised 48 billion Euros to promote an equitable, sustainable and inclusive recovery to help the most vulnerable countries and the people most at risk. Team Europe priorities include strengthening the quality and access to health systems, supporting partner countries' water and sanitation systems, and large-scale programs to mitigate the immediate social and economic consequences of the crisis. As of February 2022, the EU has provided EUR 563 million in humanitarian support to vulnerable populations affected by the pandemic. Team Europe is also the leading donor to the global COVAX facility contributing to halt the spread of the virus through fast, equitable and affordable access to safe and effective vaccines, tests and treatments.
2. The EU has also underlined the importance of a human rights-based response to the COVID-19 pandemic and reaffirmed its commitment to continue promoting and upholding good governance, human rights, the rule of law, gender equality and non-discrimination, decent work conditions, as well as fundamental values and humanitarian principles.[[9]](#footnote-9) In particular, the EU Action Plan for Human Rights and Democracy 2020-2024, adopted in December 2020, underlined that human rights, democracy and the rule of law will remain at the heart of the EU’s response to and recovery from the COVID-19 pandemic.[[10]](#footnote-10)
3. One of the priorities of the EU Action Plan on Human Rights and Democracy is to reinforce the EU’s global leadership on business and human rights by strengthening action with partners and at multilateral level to promote the global implementation of the UN Guiding Principles, including for ensuring that those affected by business activities have access to an effective remedy. Among other actions, the EU is fostering the development and implementation of national action plans in Member States and partner countries, working on a comprehensive EU framework for UNGP implementation and advancing relevant due diligence standards.

Fifteen Member States have already developed National Action Plans on Business and Human Rights, and the EU has developed (in partnership with OHCHR, ILO and OECD) comprehensive projects in Latin America[[11]](#footnote-11) and Asia[[12]](#footnote-12) assisting governments and businesses in stepping up concrete action to foster responsible business conduct. The EU is also working together with Member States and stakeholders to develop a comprehensive EU framework in order to enhance the coordination and coherence of UNGP implementation at national, European and international level. EU Member States have reaffirmed their commitment to work together in order to foster coherence between national and European measures regarding sustainable corporate governance, including on supply chain requirements, and their effective implementation considering the difficult economic situation of European businesses due to the COVID-19 crisis.[[13]](#footnote-13)

1. On 23 February 2022, the European Commission adopted a proposal for a **Directive on corporate sustainability due diligence**[[14]](#footnote-14) requiring companies to address human rights and environmental impacts of their operations, subsidiaries and value chains. The initiative is based on international standards on responsible business conduct, such as the UN Guiding Principles on Business and Human Rights, the OECD Guidelines on Multinational Enterprises and the ILO Tripartite Declaration concerning Multinational Enterprises. The Directive requires EU Member States to designate an authority to ensure effective enforcement and adapt their rules on civil liability to cover cases where damage results from failure by a company to comply with due diligence obligations, building on their existing regimes on civil liability. For the first time, companies operating in the EU market will have common and clear rules on corporate sustainability due diligence. Evidence has shown that businesses that integrated social, environmental and health considerations into their strategies weathered the COVID-19 crisis better and saw a milder drop in stock prices during the pandemic than those who had not. Therefore, in addition to enhancing respect for human rights and the environment by businesses, the new rules will contribute to increase the resilience of companies themselves.

As part of its “Just and Sustainable Economy Package”, the European Commission also presented on 23 February 2022 a **Communication on Decent Work Worldwide**.[[15]](#footnote-15) The Communication sets out the internal and external policies the EU uses to implement decent work worldwide, putting this objective at the heart of an inclusive, sustainable and resilient recovery from the pandemic. The Communication sets the EU approach to the ILO’ Decent Work Agenda, adopted during the UN General Assembly in September 2015 and that is part of the UN 2030 Agenda for Sustainable Development. This Communication sets out how the European Union will act upon these challenges, putting the promotion of decent work worldwide at the heart of a just transition and an inclusive, sustainable and resilient recovery from the pandemic. This approach is in line with the ILO Global Call to Action.[[16]](#footnote-16)

In April 2021, the European Commission adopted a proposal for a **Corporate Sustainability Reporting Directive** to reinforce the existing non-financial reporting obligations and extend their scope to more companies.

In July 2021, the European Commission and the European External Action Service published a **business guidance on forced labour** to assist companies in identifying and addressing risks in their operations and supply chains.

In the framework of the Circular Economy Action Plan, the European Commission is preparing a **strategy for sustainable textiles**, focusing on a sustainable recovery from the COVID-19 crisis[[17]](#footnote-17) and to reduce the sector’s environmental and social impacts. In this context, the EU will take into account current challenges in the textiles value chain, including the need to protect human rights, including labour rights, and promote due diligence across supply chains in the textile sector

Before the pandemic, the EU had already put in place a number of measures to advance the implementation of the UNGPs within and outside the Union. For example, EU law imposes due diligence obligations on importers of certain products such as timber[[18]](#footnote-18) and minerals from conflict-affected areas[[19]](#footnote-19) and requires certain companies to report on the sustainability of their operations[[20]](#footnote-20).

***4) What are those opportunities that would allow your Government to build back better by ensuring stronger and more decisive action to protect human rights in the context of business activities?***

The goal of the EU is not only to build back better but to build back fairer. For the EU this means applying a human rights-based approach to all policies and actions across sectors, assess priorities, ensure accountability and strengthen capacities.

The COVID-19 recovery offers an opportunity for building back better and fairer, including by scaling up implementation of the international standards such as the UN Guiding Principles on Business and Human Rights.

For example, the pandemic’s recovery offers an opportunity to enhance supply chain management by companies in order to better address vulnerabilities in the supply chain. The future EU legislation on corporate sustainability due diligence will allow companies to gain a better understanding and address their vulnerabilities by requiring them to identify, prevent, mitigate and account for adverse human rights and environmental impacts in their value chains.

The recovery also offers an opportunity to enhance policy coherence and a coordinated approach within and among the relevant actors. For governments this implies ensuring the coherence and coordination of actions within and between different departments and with other governments, international organisations and, where relevant, other stakeholders. The future comprehensive EU framework on UNGP implementation will contribute to enhance coordination and coherence of actions at various levels and between the different actors.

There is also an opportunity for companies to enhance the gathering and reporting of information on measures to address the financial, environmental, social and governance risks they face due to the COVID-19 crisis. Initiatives such as the review of the EU rules on corporate sustainability reporting will contribute to better reporting but companies regarding their actual or potential negative sustainability impacts.

***5) What efforts were made by your Government to engage in constructive and meaningful dialogue with various stakeholders, including civil society actors, to address business-related human rights abuses during the pandemic, including to protect workers and to build a resilient society and economy based on inclusive recovery able to prevent human rights abuses in future crisis situations?***

The European Commission and the European External Action Service continuously engage in dialogue on business-related human rights issues with stakeholders, including civil society actors.

The EU **Action Plan on Human Rights and Democracy 2020-2024**[[21]](#footnote-21), adopted in December 2020, sets as a priority to reinforce the EU’s global leadership on business and human rights, including by means of stronger engagement with stakeholders. Priorities of the Action Plan in this regard include:

1. engaging with the business sector on upholding and promoting responsible business conduct, due diligence, accountability and access to remedies in a participative manner;
2. supporting multi-stakeholder processes to develop, implement and strengthen standards on business and human rights and due diligence;
3. engaging with development banks and international financial institutions;
4. promoting regional projects, peer learning, exchanges of good practice and internationally recognised guidelines and mechanisms; and
5. supporting advocacy work and enabling spaces for business engagement with civil society and human rights defenders in decent job creation.

During the pandemic, the EU participated in various events on business and human rights, such as the 2021 Annual Forum on Business and Human Rights. In addition, the EU NGO Forum in 2020 and 2021 included sessions on business and human rights, corporate due diligence and decent work, with participants from civil society and the private sector.

Business and Human Rights continued to be discussed in all relevant political and human rights dialogues between the EU and partner countries and consultations with civil society were held in preparation of such dialogues.

In addition, stakeholder consultations have been organised in the context of the EU-fundedprojects in Latin America and Asia[[22]](#footnote-22) on responsible business conduct and business and business human rights, and tripartite consultations through the EU-funded project “Sustainable Supply Chains to Build Forward Better”. EU delegations are actively engaged in third countries to advance the global implementation of the UNGPs.

1. ILO Monitor: COVID-19 and the world of work. <https://www.ilo.org/global/topics/coronavirus/impacts-and-responses/WCMS_824092/lang--en/index.htm> [↑](#footnote-ref-1)
2. https://www.ilo.org/infostories/en-GB/Campaigns/covid19/globalcall#covid-impact [↑](#footnote-ref-2)
3. For example the eighth edition of the ILO Monitor: COVID-19 and the world of work, warns that without concrete financial and technical support, a “great divergence” in employment recovery trends between developed and developing countries will persist. [↑](#footnote-ref-3)
4. Council Conclusions on a human-rights-based post-COVID-19 recovery of 22 February 2021 (6324/21). [↑](#footnote-ref-4)
5. <https://mneguidelines.oecd.org/covid-19-and-responsible-business-conduct.htm> [↑](#footnote-ref-5)
6. UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy. [↑](#footnote-ref-6)
7. <https://mneguidelines.oecd.org/COVID-19-and-Responsible-Business-Conduct.pdf> [↑](#footnote-ref-7)
8. Idem [↑](#footnote-ref-8)
9. See Joint Communication of 8 April 2020 on the Global Response to COVID-19 and Council Conclusions of 8 June 2020 on the Team Europe Global Response to COVID-19. [↑](#footnote-ref-9)
10. <https://eeas.europa.eu/sites/default/files/eu_action_plan_on_human_rights_and_democracy_2020-2024.pdf> [↑](#footnote-ref-10)
11. “[Responsible Business Conduct in Latin America and the Caribbean (RBLAC)](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/newsitem/wcms_732154.pdf)”. [↑](#footnote-ref-11)
12. “[Responsible Supply Chains in Asia](https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_729535.pdf)” and “[Business and Human Rights in Asia](https://undp-asia-pacific.shorthandstories.com/--business-and-human-rights-in-asia/)”. [↑](#footnote-ref-12)
13. Council Conclusions on Human Rights and Decent Work in Global Supply Chains of 1 December 2020 (13512/20). [↑](#footnote-ref-13)
14. <https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1145> [↑](#footnote-ref-14)
15. <https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1187> [↑](#footnote-ref-15)
16. <https://www.ilo.org/infostories/en-GB/Campaigns/covid19/globalcall#better-normal> [↑](#footnote-ref-16)
17. <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12822-EU-strategy-for-sustainable-textiles_en> [↑](#footnote-ref-17)
18. <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32010R0995> [↑](#footnote-ref-18)
19. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32017R0821> [↑](#footnote-ref-19)
20. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0095> [↑](#footnote-ref-20)
21. <https://www.consilium.europa.eu/en/press/press-releases/2020/11/19/council-approves-conclusions-on-the-eu-action-plan-on-human-rights-and-democracy-2020-2024/> [↑](#footnote-ref-21)
22. “Responsible Supply Chains in Asia” with OECD/ILO (in China, Japan, Myanmar, the Philippines, Thailand and Vietnam); “Business and Human Rights in Asia” with UNDP (Bangladesh, India, Indonesia, Malaysia, Sri Lanka, Thailand, Myanmar, Nepal, Pakistan, Viet Nam and Mongolia); Responsible Business Conduct in Latin America” with OECD/ILO/OHCHR (Argentina, Brazil, Chile, Mexico, Ecuador, Peru, Colombia, Panama, Costa Rica). [↑](#footnote-ref-22)