

twenty**fifty**[®]

Preparing for the new responsible business legislation in Switzerland

INNOVATING FOR SUSTAINABILITY

February 2022

How to respond to the new Swiss legislation

The revision to the Code of Obligations and related Ordinance, “**Gesetzesbestimmungen für einen besseren Schutz von Mensch und Umwelt**”^{*} came into force in January. From fiscal year 2023, it requires all large companies based in Switzerland to publicly report **non-financial information**, including human rights and labour-related issues. For those working with **conflict minerals or metals** or where **child labour is a risk**, there are **further human rights due diligence and transparency steps to take**.

Whilst the legislation is new in Switzerland, the expectation that businesses understand and manage their human rights risks and impacts is not. The legislation is clearly based on internationally recognised frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. It is also inspired by existing regulation such as the EU Directive on Non-Financial Reporting and refers to specific tools for assessing due diligence obligations, such as UNICEF’s Children’s Rights in the Workplace Index.

For over 18 years, we have worked with companies in Switzerland and across the world, to identify and address risks by integrating human rights management into their business. Now, we are poised to support a new wave of companies as they prepare to respond to these new requirements.

For us it’s clear, the best way to respond to the new legislation is to follow a Human Rights Due Diligence (HRDD) process. By doing so, you will not only be prepared to respond to the legislation but also better understand the impacts of your operations on people and take action that delivers for all stakeholders.

** Revision of the Code of Obligations and implementation of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDtRO)*



“Companies implementing the UN Guiding Principles on Business and Human Rights and other international standards will have a head start in complying with the new Swiss legislation”.

Luke Wilde, twentyfifty Founder and Managing Partner

The requirements at a glance

Non-financial reporting

Section 6 of the Swiss Code of Obligations, based on EU directive on non-financial reporting

Companies with 500 FTEs on yearly average, and that in two consecutive financial years exceed total assets of CHF 20 million or turnover of CHF 40 million, are required to:

- Report on environmental, social, labour-related, human rights and corruption issues

Due diligence and transparency on conflict minerals

Section 8 of the Swiss Code of Obligations, inspired by EU Conflict Minerals Regulation

Companies importing or processing minerals or metals in Switzerland, containing tin, tantalum, tungsten or gold originating from conflict-affected and high-risk areas, over a certain threshold, are required to:

- Publish a supply chain due diligence policy
- Establish a supply chain traceability system
- Establish a grievance mechanism
- Identify, assess and address risks based on likelihood and severity
- Monitor the effectiveness of actions taken to manage risks

Due diligence and transparency on child labour

Section 8 of the Swiss Code of Obligations, inspired by Dutch Child Labour Due Diligence Act

Companies that sell goods or services for which there are reasonable grounds to suspect they were produced with child labour, are required to:

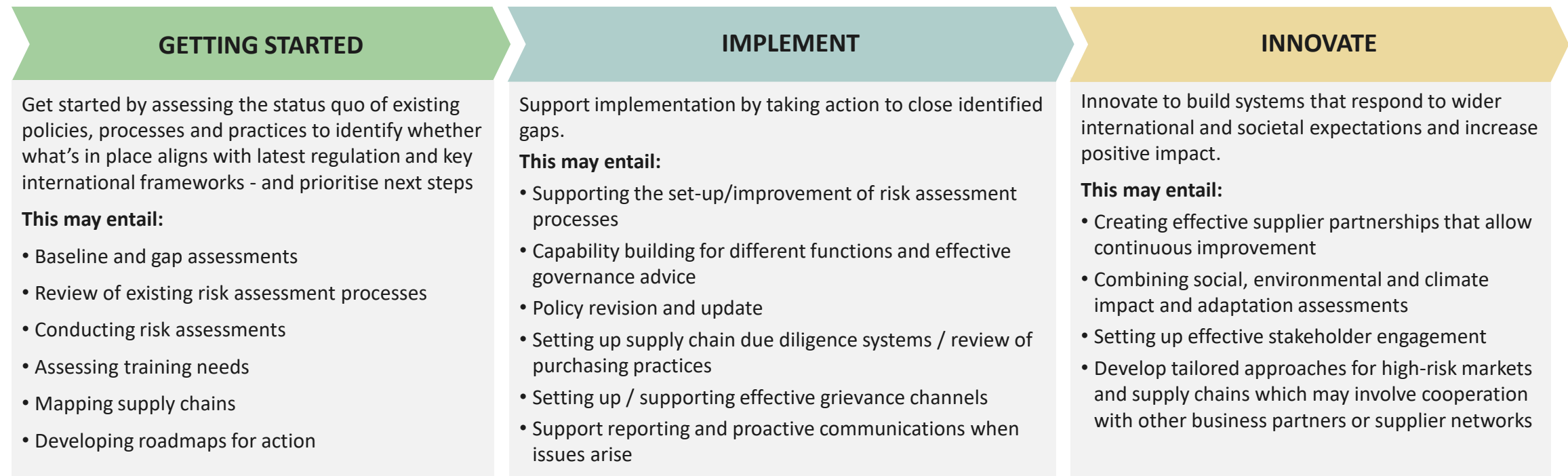
- Publish a supply chain due diligence policy
- Establish a supply chain traceability system
- Establish a grievance mechanism
- Identify, assess and address risks based on likelihood and severity
- Monitor the effectiveness of actions taken to manage risks

How twentyfifty can support you

WE SUPPORT YOUR FULL HUMAN RIGHTS JOURNEY, FROM START TO CONTINUOUS INNOVATION

In our projects, we empower our clients to set up effective future-fit processes. For us, human rights due diligence is not a tick-box exercise but a pathway to positive impact – for the business and for people.

We tailor our offering to the needs and maturity of each client – from getting started to wider innovation and leadership support.



Why twentyfifty?

OUR COMBINATION OF SWISS AND GLOBAL EXPERTISE IS UNIQUE

- Our **18+ years** of experience supporting large corporates across many sectors and geographies;
- Our in-depth understanding of the **Swiss and international context & regulatory environment**;
- Our experience working at the interface between **compliance and sustainability**;
- Our skills in **partnering and capability-building** – at both central team and country/regional level.



“From social risk to sustainable business...”

Distinctive elements of our approach

OUR COMBINATION OF SWISS AND GLOBAL EXPERTISE IS UNIQUE



UNPARALLELED IMPLEMENTATION EXPERIENCE

Since 2004, we have supported multinational companies in the implementation of human rights due diligence processes in over 100 projects across industries and geographies. We understand what it takes to put human rights requirements into action, from head office and into supply chains. This in-depth experience informs our work with the legislation.



EXTENSIVE INTERNATIONAL NETWORK

The effects of the legislation will extend far into the global supply chains of affected companies. With our international network in Asia, Latin America and Africa we are able to support implementation where it needs to happen, including in complex high-risk markets.



RENOWNED HUMAN RIGHTS SPECIALISTS

We have played an important part in shaping the dialogue on human rights due diligence in Switzerland and internationally. Our guidance, publications and tools are widely used in companies. Our continuous work with multi-stakeholder and sector initiatives has influenced the interpretation and practical implementation of UNGP requirements across sectors.



WE EMPOWER OUR CLIENTS

Using our proven Human Rights Capacity Diagnostic approach, we are able to develop a deep understanding of where our clients are in their HRDD journey. We use this understanding to support clients to build capabilities as well as internal and external support for their vision.

Learn more about our work [here](#).

Thought leadership

WE CONTINUE TO SHAPE GOOD PRACTICE WITH OUR THOUGHT LEADERSHIP



5 Steps towards managing the human rights impacts of your business

This guide sets out a simple and thorough process for any company, but particularly SMEs, to get started with identifying and managing its potential human rights impacts. Also available in German.



Tackling child labor: an introduction for business leaders

This guide for business leaders raises awareness and improves understanding around the issue of child labor, its impact globally, and the urgent need for business action. It articulates tangible steps business leaders can take to ensure that their companies are leveraging their full potential to support the elimination of child labor in business operations and supply chains and to tackle its root causes.

Our expert team

OUR COMBINATION OF SWISS, GLOBAL AND TOPIC EXPERTISE IS UNIQUE

As corporate due diligence and organisational change experts, our experience covers the full complexity of the challenge. We understand Swiss business and their regulatory context, and work with all levels, from executive decision-makers to rightsholders in global supply chains.

If you would like to know more about how we can support you, please contact us at info@twentyfifty.ch



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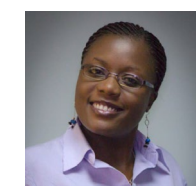
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Our Legal Panel

SUPPORTING TWENTYFIFTY'S EXPERT TEAM

As a management consultancy we help our clients translate regulatory requirements into operational business practice. We do not provide legal advice or any sort of “compliance guarantee” with the Swiss legislation or other regulation to our clients. Where our clients seek such legal endorsement, we cooperate with your existing legal advisors and/or provide you with access to our Legal Panel of experts.



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Let us help you create a
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