

Investors Urge Support For Swiss Human Rights Due Diligence Law

Swiss pension funds and other institutional investors are calling upon members of Switzerland's lower house of parliament to back legislation making it mandatory for Swiss companies to carry out human rights due diligence.

In a statement sent to lawmakers, the investors said the legislation would help Swiss companies avoid breaching human rights and environmental standards in their subsidiaries and supply chains.

It would also help the investors fulfil their duties, they said.

The letter stated: "The disclosure and mechanisms required by mandatory human rights due diligence would enable investors to assess the human rights and environmental oversight and mitigation systems implemented by Swiss companies, thereby allowing institutional investors to fulfil their fiduciary duty towards their beneficiaries."

The statement came from Ethos Foundation, a Swiss pension fund-backed responsible investment organisation, and more than 20 Swiss and foreign asset owners and asset managers.

The legislation in question was adopted by the lower house of parliament in June last year in response to the Responsible Business Initiative, a civil society campaign for a corporate responsibility law. In Switzerland laws drafted in response to such campaigns are known as "counter-proposals".

According to Ethos Foundation, the bill was rejected by the upper chamber – which represents the cantons – in March and is due to be discussed again in the lower chamber tomorrow (13 June).

For the investors putting their name to the statement, the planned legislation would strengthen the investment case of Swiss companies and reinforce the appeal of Switzerland as a global financial centre.

The proposal was also "perfectly aligned with Switzerland's long-standing humanitarian tradition and the country's commitment towards protecting human rights worldwide", they said.

Swiss pension funds backing the statement in their own name included [CPEG](#), CAP Prévoyance, Retraites Populaires, and Pensionskasse Stadt Zürich. Shareholders for Change, an investor engagement group formed mainly by southern European asset owners, also put its name to the statement.

According to Ethos, the statement had the support of investors with CHF395bn (€352bn) assets under management.