



**Business & Human Rights  
Resource Centre**

**Briefing note on key demands by Italian business for the implementation of the Italian  
National Action Plan on Business & Human Rights**

**July 2017**

In order to gain greater insight into the key demands and positioning of Italian business on business and human rights, the Human Rights International Corner (HRIC) and the Business and Human Rights Resource Centre (BHRRC) invited leading Italian companies to a “Business and Human Rights Focus Group” meeting on 25 May at the International Law Firm ‘Caiazza&Partners’ in Milan.

The meeting was organised following the adoption of the Italian National Action Plan on Business and Human Rights (NAP) in December 2016, as well as the inclusion of the EU non-financial reporting directive into Italian law in January 2017. Both developments are to be implemented in close cooperation with business, civil society and academic experts.

The goal of this briefing note is to provide stakeholders with an overview of the key outcomes of the focus group meeting and lay out recommendations to the Italian government regarding how the NAP should be implemented in order to respond to expectations from business, civil society, and academic experts.

The focus group meeting touched upon supply chain transparency, labour rights, grievance mechanisms and reporting, as well as performance measurement of business on human rights.

Key outcomes:

*Need for cross-sectoral exchange on scope & boundaries of a company’s supply chain*

- More clearly define the appropriate scope of business responsibility for supply chain transparency & human rights due diligence along the supply chain
- Ensure greater clarity regarding whether the human rights assessment and monitoring tools available to individual businesses are up-to-date and appropriate
- Produce additional guidance for developing robust criteria to determine individual supply chain transparency and to more effectively monitor all the phases of the supply chain

*Need for mandatory tools or laws to guarantee basic standards on human rights due diligence & create level playing field*

- Provide export credits primarily to business that can ensure robust human rights due diligence
- Develop minimum standards for labour rights to ensure competitiveness of business that invest more resources into ensuring respect for human rights in their operations

*Demand for sectoral focus groups to exchange about key challenges in the field*

- Address common challenges together
- Create opportunities together
- Define boundaries of competition law
- Establish whistle-blowing policies (Italian law still pending) in parallel to existing grievance mechanisms
- Use materiality analysis as starting point for assessing human rights risks

*Call for coherence among EU countries & action to ensure sustainable business conduct outside of the EU*

- Ensure clarity about which national legislation demands relate to human rights due diligence
- Build greater coherence across national regulatory frameworks within the EU
- Promote more sustainable business outside of the EU by providing export credits only to businesses with robust human rights due diligence
- Create a provision to monitor EU companies' conduct outside of the EU through incentives

*More engagement of companies from national and European Institutions in the consultation processes*

- Develop transparent consultation processes for companies and institutions to deliver effective soft and hard law guidance and tools
- Take into consideration concrete challenges and issues that companies are facing with protecting human rights, especially outside of the EU

*Need for SMEs engagement in the business and human rights dialogue*

- Engage with SMEs to generate real impact and change in the national business context
- Support SMEs as part of the value chain of bigger and multinational companies in their human rights management system implementation