

The Federal Constitution ¹ is amended as follows:	Explanatory note
art. 101a Responsible Business ¹ The federal government is strengthening respect for human rights and the environment by business.	This provision enshrines the contemporary understanding in the constitution that respect for human rights and the environment is a matter of common sense for responsible business. This applies in particular to large companies, whose business activities have a significant impact on society and the environment due to their resources and international connections. This purpose also has a positive impact on Switzerland's reputation and, in terms of international and European coordination, on the competitiveness of our companies.
² It regulates the obligations of large companies that have their statutory seat, central administration or principal place of business in Switzerland. It can also regulate sector-specific economic activities with a high risk of adverse human rights impacts and environmental damage.	Paragraph 2 regulates the <i>scope of application</i> . <i>Personal scope:</i> Large companies are affected (in addition to corporations, this also includes foundations and associations, regardless of their legal form). Swiss regulation should also be based on the thresholds set by the corresponding EU directive (CSDDD) (1.5 billion turnover + 5,000 employees). At the same time, companies that are subject to the ordinary auditing requirement (two out of three thresholds: 250 employees / 40 million in revenue / 20 million in total assets) may also be included in high-risk areas of the Swiss economy, in particular in the commodities sector. SMEs, on the other hand, are fully excluded from the scope of application. <i>Territorial scope:</i> This applies to Swiss companies. It primarily refers to the domestic registered office. Based on the Lugano Convention and the principle of personality under international law, companies with their central administration or principal place of business in Switzerland are also covered; this is linked to the centre of business and makes it more difficult to circumvent the law.
³ In doing so, it shall observe the following principles based on international guidelines and taking into account European developments:	According to paragraph 3, the law must take into account 'international guidelines', i.e. in particular satisfy the requirements of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. European developments must also be taken into account; in particular, the EU Corporate Sustainability Due Diligence Directive (CSDDD). The material principles of the initiative follow this international and European coordination:
a. Businesses shall also exercise due diligence abroad, as required to respect	The <i>duty of care</i> corresponds to the aforementioned international requirements. Companies must therefore systematically address risks to people and the environment in their business relationships,

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internationally recognised human rights and international environmental protection provisions; this extends risk-based across business relationships.

starting with the greatest risks of the most severe violations. The duty to act follows a three-step process:

1. identify risks,
2. take action and
3. report on them.

Internationally recognised human rights: according to the UN Guiding Principles, these include rights from the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights (e.g. right to life and physical integrity) and the ILO core conventions (e.g. prohibition of child or forced labour), insofar as they are applicable in a business context.

The same applies to *international environmental protection provisions:* these refer in particular to the principles of international environmental agreements (e.g. the Convention on Biological Diversity, with the principle of protecting against interference in biological diversity, which also applies to companies).

b. The companies shall ensure that their business activity is in line with the internationally agreed temperature goal based on the current state of science; to this end, they shall set and implement reduction targets with reduction paths for their direct and indirect greenhouse gas emissions; the law may provide for exemption from these obligations for companies with low emissions.

Today more than ever, corporate responsibility is also climate responsibility. There is an international consensus that global warming must be limited to 1.5 degrees Celsius (Paris Climate Agreement) if the climate crisis is to remain within limits for people and the environment. In order to achieve this, not only states but also private individuals must contribute to reducing their emissions according to their respective contribution to the cause as well as their strengths and capabilities (common but differentiated responsibilities and respective capabilities'). This is why the initiative obliges large Swiss corporations, whose footprint is often similar to those of states, to

1. reduce their direct and indirect greenhouse gas emissions in line with the internationally agreed temperature target, set effective reduction targets and reduction pathways, and
2. to implement the necessary measures and
3. to report on this (as a reporting obligation already under current law).

Various large Swiss companies with relevant emissions have already set themselves the required reduction as a benchmark, and the others should now also take steps. For companies with low emissions (e.g. below certain thresholds), however, the law may provide for exemptions in accordance with the text of the initiative.

c. In the event of a breach of the due diligence obligation under letter a, companies shall also be liable for damage caused by companies controlled by them; the law shall ensure effective legal protection and, in particular, provide for an appropriate regime for the

The initiative provides for a provision on liability for negligence, in line with the new legal situation in the EU and analogous to the first Responsible Business Initiative. This enforcement pillar serves the purpose of reparation. It concerns the compensation of liability-relevant damage (in particular damage to health). The scope of liability is limited to cases of group-relevant control, i.e. liability for damage caused by the company's own operations as well as controlled companies (group subsidiaries). This corresponds to the principle laid down in [liability of employers](#) (article 55 of the Swiss

production of evidence; the provisions adopted on the basis of these principles shall also apply to international cases.

Code of Obligations): anyone who controls someone must also use this control to prevent damage. Liability does not extend beyond the group into the value chain and is therefore restrained compared to the EU.

To ensure that corporate liability actually takes effect in the event of damage, the initiative calls for effective legal protection in line with the EU. This concerns, among other issues, an appropriate regulation for the production of evidence: Either the burden of proof must be materially distributed in such a way that it remains realistic for the injured parties and does not extend to facts that can only be proven by accessing internal company information. Or, in line with the EU minimum standard, at least a procedural duty of disclosure should be established so that the injured parties can obtain the documents necessary to prove their claims.

⁴ It provides for effective and independent supervision to enforce the obligations. In the event of a breach of duty, the body entrusted with supervision shall ensure that compliance is restored and may impose proportionate sanctions, including fines based on turnover.

The duties are also enforced through supervision. The law must observe the following principles:

Independence: The supervisory authority should ideally be organized independently of the central administration in terms of institutions, but certainly in terms of functions, finances and personnel. In particular, this institution should be independent of the other federal offices in its decisions, similar to FINMA or COMCO, for example.

Procedure: An 'effective' supervisory authority, i.e. one that has sufficient resources and competences for its task and at the same time is as lean as possible, randomly checks companies' annual reports on the fulfilment of their due diligence obligations. It opens investigations ex officio or in response to information from affected parties or organizations if there are indications of breaches of duty. Thirdly, the supervisory authority decides on the consequences of a violation; this ranges from measures to prevent or end a violation (e.g. child labor or water pollution) to sanctions (in serious cases, for example, up to fines based on turnover).

These principles are also fully in line with the EU Directive.

⁵ The Federal Government shall take measures to support the obligated companies and to protect and support companies that may be indirectly affected by the aforementioned or similar obligations.

This section of the initiative initially calls for appropriate support for obligated companies. This can take the form of helpdesks and training courses, for example.

The initiative also provides for protective and support measures for indirectly affected companies: Swiss SMEs are already confronted with numerous questions and requirements in the area of sustainability from their major business partners. The EU directive aims to harmonise standards in this area. At the same time, the EU is taking accompanying measures to prevent large companies from simply passing on their obligations to SMEs. Swiss SMEs also need such support and protection in order to maintain and strengthen their international competitiveness.

	To avoid bias, advice must not be provided by the same body that is responsible for supervision (paragraph 4).
<p><i>art. 197 no. 17²</i> <i>17. Transitional provision on art. 101a (Responsible Business)</i></p> <p>The Federal Assembly shall enact the implementing provisions for Article 101a no later than two years after its adoption by the People and the Cantons. If it does not enact the implementing provisions within this period, the Federal Council shall enact the implementing provisions in the form of an ordinance. This shall apply until the entry into force of the implementing provisions enacted by the Swiss parliament.</p>	<p>The final section contains the transitional provision that is usual in popular initiatives. It emphasises the urgency of the matter</p>

² The final figure of this transitional provision will be determined by the Federal Chancellery after the popular vote.