Human Rights and Social Sustainability: Future-proofing your business

Companies face growing pressure to manage human rights risks globally. With the regulatory global landscape on human rights due diligence becoming more complex, and public pressure on ethical business behaviour increasing, businesses must find a way to balance risks to people (and the environment) and commercial needs. Integrating human rights into governance, operational decision-making and risk management ensures compliance, strengthens resilience and adds business value.

Why Human Rights Matter

New and constantly changing regulations are transforming how companies must **address human rights risks** across their operations and value chains. Businesses are under increasing pressure from investors, customers, regulators, and civil society to demonstrate how they identify, manage and mitigate human rights and environmental impacts globally.

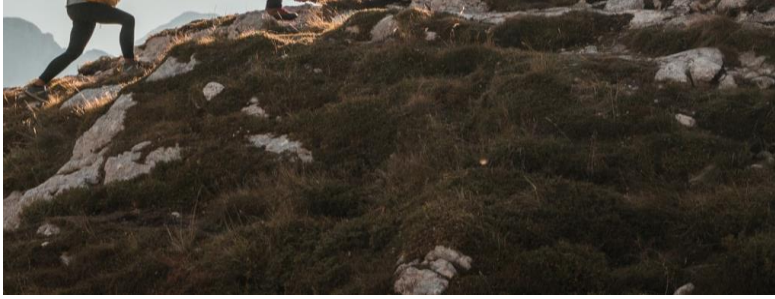
These developments affect core business functions – from procurement to legal – and require companies to adapt quickly. **Proactively managing risks** not only helps prevent supply chain disruptions, legal exposure and reputational damage, but also strengthens relationships with customers, employees, and other stakeholders. In global markets, **trust and transparency** have become key drivers of business continuity and longterm success.

With regulatory requirements changing constantly worldwide, companies that **align early** with evolving human rights expectations can avoid penalties, anticipate changes, secure market access, and strengthen their general ESG performance.

Regulatory Frameworks

Across Europe and beyond, governments are introducing binding **legislation** or adapting existing ones. Despite variations in scope and content, their **common element** is the obligation for companies to carry out **due diligence on human rights and environmental impacts**. Efforts by the EU to unify its legal framework led to the adoption of the EU Corporate Sustainability Due Diligence Directive (CSDDD). Negotiations are, however, ongoing with application timelines being shifted to 2028 and beyond. Nevertheless, the direction is clear: **legal enforcement is on the horizon** and varies throughout **different national legal systems.**

Next to the European level, several countries, including Switzerland, Germany, France, the UK, the US, Australia, Japan or Thailand, have already or are in the process of implementing their own national regulations, with distinct requirements and enforcement mechanisms. This creates complexity for global businesses, especially those with extended supply chains or operations in high-risk sectors.



Challenges

01 Managing **varying national legal requirements** across jurisdictions while ensuring a coherent global approach in business operations

02 Balancing legal compliance with operational realities, especially **in high-risk sectors** and **geographies**

03 Addressing **limited data availability** from suppliers and difficulties in assessing indirect risks deep in the value chain

04 Engaging meaningfully with **diverse stakeholder groups**, including workers, communities, civil society and affected rightsholders

Benefits

- Access to a **multidisciplinary team** with deep human rights, legal, ESG, supply chain and risk management expertise
- **Guidance** in navigating **diverse HRDD laws** (e.g. Swiss Code of Obligations, LkSG, UFLPA, Transparency Act) in a practical, business-oriented way
- **End-to-end support across your value chain,** from risk identification to mitigation and reporting, backed by proven frameworks, practical tools and access to **KPMG's global expert network**
- A strategic, **implementation-ready roadmap** that integrates human rights into your core business processes, enabling long-term compliance, resilience and measurable ESG performance

How KPMG can help

- We assess your company's **HRDD readiness** through **gap analyses** and help embed human rights into governance and key business functions. This includes **targeted trainings** and cross-jurisdictional **regulatory guidance**.
- We design **HRDD frameworks** aligned with UNGPs and OECD Guidelines, conduct **risk assessments and support mitigation**, remediation and **stakeholder engagement** across your value chain.
- We support you with **digital tools for risk mapping** and reporting, align your disclosures with legal and ESG standards such as CSDDD and ESRS and **provide assurance** on your HRDD processes.

Contact our experts

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