

Supply chain due diligence after the Responsible Business Initiative

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

On 29 November 2020 Swiss voters decided on the Responsible Business Initiative, which would have made Swiss companies liable for human rights and environmental violations by companies they control abroad. The initiative won a narrow majority of the popular vote but failed to achieve a majority of the cantons, so that it was rejected. Urban cantons, among them Basel-Stadt, voted in favour, while many rural cantons voted against. As a result, the indirect counter-proposal adopted by Parliament entered into force. It introduced reporting obligations on non-financial matters for large public interest entities and due diligence obligations in the areas of conflict minerals and child labour.¹

The new provisions are found in Articles 964a to 964l of the Swiss Code of Obligations and have applied since 1 January 2022, with the first reports due for the financial year 2023. Articles 964a to 964c require large public interest companies to report annually on environmental matters, including carbon dioxide targets, social and employee matters, respect for human rights and the fight against corruption. Articles 964j to 964l impose due diligence and reporting obligations on companies that import or process minerals and metals from conflict-affected areas or that offer products or services in respect of which there is a reasonable suspicion of child labour. The Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour specifies the thresholds and exemptions. Violations of the reporting obligations are subject to fines under Article 325ter StGB.²

For the Basel groups, which already published extensive sustainability reports, the Swiss rules brought few material changes. The more significant developments took place in the European Union, where the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive introduced far-reaching obligations that also affect

Supply chain due diligence after the Responsible Business Initiative

Swiss groups with large EU subsidiaries or sales. The European Union reduced the scope of both directives in 2025 and 2026 through the so-called Omnibus package, and Switzerland has been discussing how far to align its own rules. A second popular initiative on corporate responsibility was launched in 2025. Compliance departments therefore follow a moving target, in which reporting, due diligence and human rights risk management are converging with the traditional areas of anti-bribery and sanctions compliance.³

1 Notes

1. Federal popular initiative "For responsible businesses – protecting human rights and the environment" (Responsible Business Initiative), vote of 29 November 2020: about 50.7 per cent of voters in favour, but rejected by a majority of the cantons; on the results in Basel-Stadt, see the Federal Chancellery's official results. Figures to be verified. ↩
2. Articles 964a–964l of the Swiss Code of Obligations (CO/OR, SR 220), in force since 1 January 2022; Ordinance of 3 December 2021 on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO/VSoTr, SR 221.433); Article 325ter StGB. To be verified. ↩
3. Directive (EU) 2022/2464 (CSRD); Directive (EU) 2024/1760 (CSDDD); on the Omnibus simplification package proposed by the European Commission in February 2025 and its adoption, and on the Swiss consultation on aligning Articles 964a et seq. CO with EU law and the new popular initiative launched in 2025, see the official publications. Status to be verified. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/basel-supply-chain-due-diligence-after-the-responsible-business-initiative