

ICI Summary

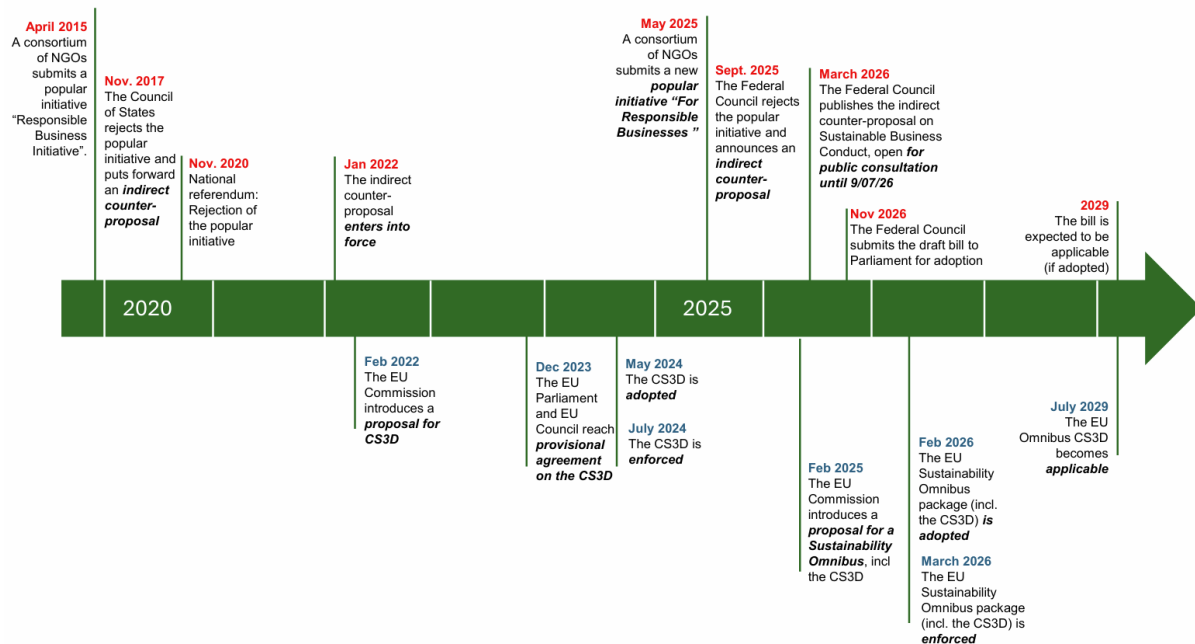
Switzerland Indirect counter-proposal to the popular initiative “For responsible businesses – protecting human rights and the environment” of March 2026

April 17th 2026

In March 2026, the Swiss Federal Council published, in the form of a stand-alone draft bill on Sustainable Business Conduct ([available in the country's official national languages](#)), an indirect counter-proposal to the [popular initiative “For responsible businesses – protecting human rights and the environment”](#) which was submitted by a consortium of Civil Society Organisations in May 2025 after having gathered the necessary amount of signatures, and which had been rejected by the Swiss government in September of the same year.

It builds on the first popular initiative on Multinational Enterprises submitted in 2015 and which, after having been rejected in referendum in November 2020 (winning the majority of citizens votes but failing the cantonal majority requirement) lead to the enforcement of the [Duty of Care and Transparency ordinance](#) enshrined in the Swiss Code of Obligations (CO, Articles 964j – 964l) in January 2022.

Aware of the popular support gained, the draft bill is aimed at aligning Switzerland’s obligations to those applicable within the European Union (EU), especially the EU omnibus Directive on Corporate Sustainability Due Diligence (CS3D) which has been adopted in February 2026 and will enter into force in 2029 (see ICI’s summary [here](#)).



This document provides an overview of the main elements of the draft bill, compared against the current Swiss legislation and the EU CS3D.

Main elements related to HRDD of the legislative proposal, compared to the current text and the EU CS3D

	Switzerland Draft Bill on Sustainable Business Conduct	Switzerland Duty of Care and Transparency Ordinance (current legislation)	European Union Corporate Sustainability Due Diligence Directive
Scope	<ul style="list-style-type: none"> Swiss companies with: <ul style="list-style-type: none"> ≥ 5000 employees Franchising contracts of ≥ CHF 75 Mio Third party companies operating in Switzerland with: <ul style="list-style-type: none"> ≥ CHF 1.5 billion worldwide turnover generated in Switzerland Franchising contracts of ≥ CHF 75 Mio Possible exemptions for companies that respect an equivalent international legislation 	<ul style="list-style-type: none"> Companies established in CH with: <ul style="list-style-type: none"> Balance sheet of ≥ CHF 20 Mio Turnover of ≥ CHF 40 Mio ≥ 250 Full time employees 	<ul style="list-style-type: none"> EU companies with: <ul style="list-style-type: none"> ≥ 5000 employees ≥ € 1.5 billion worldwide turnover Non-EU companies with: <ul style="list-style-type: none"> ≥ € 1.5 billion turnover generated in the EU In both cases, the company entered into or is the ultimate parent company of a group that entered into franchising or licensing agreement in the EU in return of royalties of > € 75 million
Reach	<ul style="list-style-type: none"> Own operations Chain of activities 	<ul style="list-style-type: none"> Own operations Supply chain 	<ul style="list-style-type: none"> Own operations and their subsidiaries Business partners + chain of activities
Areas covered	<ul style="list-style-type: none"> Human rights (incl. metals and minerals from conflict areas + child labour) Environment 	<ul style="list-style-type: none"> Metals and minerals from conflict areas Child labour Non-financial reporting 	<ul style="list-style-type: none"> Human rights Environment
Obligation	<ul style="list-style-type: none"> Risk-based due diligence (UNGP/OECD): <ul style="list-style-type: none"> Establish a policy and Code of conduct, integrated into management systems and processes Identify, assess and prioritize potential or actual harms (on human rights and the environment) Prevent potential or actual harms Cease actual harms; minimise their extent and establish corrective action plan Involve stakeholders Implement grievance mechanisms Provide support to SMEs 	<ul style="list-style-type: none"> For companies with “grounded suspicion” of child labour: <ul style="list-style-type: none"> Establish a policy + management system Traceability: Provide a written list of production sites and contractors. Risk identification and evaluation Take measures to eliminate, prevent or reduce to the minimum the identified and evaluated risks. Consolidated reporting Exemptions for companies: <ul style="list-style-type: none"> Presenting low risks (based on the UNICEF Children’s Rights in the Workplace Index) 	<ul style="list-style-type: none"> Risk-based due diligence (UNGP/OECD): <ul style="list-style-type: none"> Integrate due diligence into policies and risk management systems; Identify, assess, prevent and mitigate adverse impacts (requesting information from business partners only if necessary and where risks are most likely; from SMEs only when the information cannot be obtained otherwise) Remediation for actual adverse impacts Carrying out meaningful stakeholder engagement

	<ul style="list-style-type: none"> - Monitor effectiveness of measures - Document the due diligence process - Publicly communicate results, to be externally validated <ul style="list-style-type: none"> • Companies cannot request information from business partners < 5000 employees, unless they cannot access this information otherwise. 	<ul style="list-style-type: none"> - Complying with or fulfilling international standards (ILO Conventions n° 138 and 182; ILO-IOE child labour guidance tool; OECD DD Guidance) <p><i>(summary focuses only on the child labour aspect)</i></p>	<ul style="list-style-type: none"> - Establish and maintain notification mechanisms and complaints procedures - Monitor the effectiveness of due diligence every 5 years - Publicly communicate on due diligence measures <ul style="list-style-type: none"> • Companies may request information from business partners only where that information is necessary, and only when the information cannot reasonably be obtained by other means in the case of companies with < 5000 employees.
Sanctions / Penalties	<ul style="list-style-type: none"> • Administrative: Fine of max 3% of worldwide turnover. 	<ul style="list-style-type: none"> • Administrative: Fine of max CHF 100,000 	<ul style="list-style-type: none"> • Administrative liability: Fines (level to be fined)
Transposition	<ul style="list-style-type: none"> • Proposal open for public consultation until 09/07/2026 • Submission to Parliament planned in 11/2026 	<ul style="list-style-type: none"> • Ordonnance adopted on 03/12/2021 • Applicable since 01/2022 	<ul style="list-style-type: none"> • 1st adoption in June 2024; 2nd adoption on 24/02/2026 as part of the EU Omnibus simplification package 1 • Applicable as of 26 July 2029