

# Responsible Business Initiative

## Initiator's main arguments

The initiative targets multinationals

### WRONG

- The text of the initiative never speaks about multinationals, but simply about companies. All Swiss companies are therefore potentially in the spotlight.
- There are just over 28,000 "multinational" companies in Switzerland, employing 1.4 million people in the country. The circle of international companies in Switzerland is therefore much wider than the initiators suggest. Many SMEs are active abroad and are therefore targeted by the initiative.

SME's are not concerned

### WRONG

- The initiative makes **no exception** for SMEs with regard to the possibility of claiming compensation in Switzerland for acts committed by a subsidiary or a major supplier abroad.
- In relation to the duty of care (supervision of all business relationships), the initiative vaguely refers to a differentiated treatment of SMEs. In reality, all those active in "high-risk" sectors are concerned. Similarly, many Swiss SMEs with subsidiaries abroad will also be affected.
- Even SMEs working only in Switzerland will be affected by the initiative. They are often subcontractors to companies operating internationally. In order to limit the risks created by the initiative, the latter will require their suppliers to meet the same due diligence requirements to which they are subject. SMEs will have to take on an immense amount of monitoring work, which is very costly and time-consuming.

The initiative does not impose Swiss law on the rest of the world

### WRONG

- Companies affected by the initiative **could be challenged in a Swiss court for events that took place abroad.** This applies to their subsidiaries but also to "controlled" companies, without the initiative exactly defining what is to be understood by this. The initiators state, for example, that buying a significant proportion of a supplier's production is a form of control and thus paves the way for a lawsuit in Switzerland.



**L'intention est bonne.  
Mais pas la solution.**

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**NON!**  
à l'initiative « entreprises responsables » !

Swiss multinationals violate human rights and the environment, this must stop

**WRONG**

- The initiators try to make all internationally active companies look like thugs. This is totally wrong and inadmissible.
- Swiss companies operating abroad have no interest in deliberately misbehaving. In this age of social networking and all-round information, who could afford to deliberately exploit children? Such behaviour would unleash a storm of protest and cause major damage to the reputation of the companies concerned.
- The initiators constantly mention only two or three company names. But then why punish all the Swiss companies concerned by imposing a risky system that is unique in the world?

The counter-project simply obliges companies to publish nice glossy brochures

**WRONG**

- The counter-project places Switzerland in the top group of the most demanding countries, particularly with regard to child labour and conflict minerals.
- Mandatory annual reports create transparency. They encourage companies to behave responsibly, otherwise they take considerable reputational risks.
- Duties of care address two particularly sensitive issues. They involve careful monitoring of activities in relation to child labour and metals from conflict zones. Failure to comply with these obligations would be sanctioned by high fines.
- The counter-project is based on the most demanding legislation. It is based on Dutch law for child labour and on the European law for metals from conflict zones. This approach is right, because it refers to internationally valid rules and not to a do-it-yourself approach by Switzerland alone.

Many companies are behaving well. The initiative simply restores equity with those who can afford anything

variant

Businesses that behave properly have nothing to fear about

**WRONG**

- If a tiny minority of companies behave badly, there is no reason to subject all of them to the enormous risks created by the initiative.
- With the initiative, all the companies concerned will have to control their entire supply chain, worldwide. This is a costly and very difficult task to accomplish without error. The slightest flaw could be a pretext for launching a liability lawsuit in Switzerland. Whether the company is at fault or not, its reputation will be tarnished for the duration of the proceedings.



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We take up a well-known mechanism: the responsibility of the employer

**WRONG**

- We are in a totally different situation. The employer's liability applies to business that takes place in Switzerland. The employer can give specific instructions that the employees must carry out. This is not the case for relationships between a Swiss company and foreign subsidiaries and suppliers.
- With the initiative, Swiss companies would have to answer for acts committed abroad by third-party companies.
- Moreover, in Switzerland and elsewhere in the world, it is up to the plaintiffs to demonstrate that the company is responsible for an incident or malpractice. The initiative completely reverses this basic legal principle. It is up to the company to demonstrate that it did not make a mistake.
- How will the Swiss judiciary be able to validly establish the facts for cases that take place thousands of kilometers away? Trials will be biased.
- The system set up by the initiative will mainly please the competitors of Swiss companies and law firms. They will have everything they need to attack Swiss companies, rightly or wrongly. Switzerland will become an excellent place to litigate.

Many companies are in favor of the initiative

**WRONG**

- A few dozen business leaders do indeed show their support for the initiative, but all the national and cantonal economic organisations, as well as the branches, categorically reject it.

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