

**ITALY**

**SECOND NATIONAL ACTION PLAN  
ON BUSINESS AND HUMAN RIGHTS  
2021-2026**

## SECOND NATIONAL ACTION PLAN ON BUSINESS AND HUMAN RIGHTS

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## LIST OF ACRONYMS

ADR	Alternative Dispute Resolution
AGCM	Antitrust Authority
AGCOM	Communications Regulatory Authority
AICS	Italian Agency for Development Cooperation
ANAC	Anti-Corruption Authority
ANCI	National Association of Italian Municipalities
ANPAL	National Agency for Active Labour Policies
ASL	Health local Unit
BHR	Business and Human Rights
CAM	Minimum Environmental Criteria
CdP	<i>Cassa Depositi e Prestiti</i>
CICS	Inter-ministerial Committee on Development Cooperation
CIDU	Inter-ministerial Committee for Human Rights
CITE	Inter-ministerial Committee for Ecological Transition
CNPDS	National Centre for Prevention and Social Defence
CNR	National Research Council
CPB	National central purchasing body
CREA	Council for Agricultural Research and Analysis of Agricultural Economics
CSR	Corporate Social Responsibility
DD	Due Diligence – Duty of care
EMAS	Community eco-management and audit scheme
ENEA	National Agency for New Technologies, Energy and Sustainable Economic Development
EU	European Union
FEASR	European Fund for Agriculture and Rural Development
GLIDU	Working Group on Business and Human Rights
GRI	Global Reporting Initiative
IBA	International Bar Association
ILO	International Labour Organization
INAPP	National Institute for Public Policy Analysis
INL	National Labour Inspectorate
IOM	International Organization for Migration
LGBTIQ+	Lesbians Gays Bisexuals Transgender/Transsexuals Intersexuals/Queer
MGI	Made Green in Italy
NAP	National Action Plan
NGOs	Non Governmental Organizations
NHRI	National Human Rights Institution
OCSE	Organisation for Economic Co-operation and Development
PANGPP	National Action Plan on Green Public Procurement
PCN	OECD National Contact Point
PCSD	National Action Plan on Policy Coherence for Sustainable Development
PNPR	National Waste Prevention Programme
PNRR	National Recovery and Resilience Plan
PRPR	Waste Production Prevention Programme
PSR	Rural Development Plans
RCP	Rules of Product Categories
SACE	Italian Export Credit Agency
SDGs	Sustainable Development Goals

SIMEST	Italian Agency for Companies Abroad
SMEs	Small and Medium Companies
SNSVS	National Strategy on Sustainable Development
STEM	Science, Technology, Engineering and Mathematics
UN	United Nations
UNECE	United Nations Economic Commission for Europe
UNGPs	UN Guiding Principles on Business and Human Rights
UNICEF	United Nations Children Fund
ZEA	Environmental Economic Zones

**FOREWORD BY THE HON. MINISTER  
OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION  
LUIGI DI MAIO**

The second National Action Plan on Business and Human Rights (2021-2026) is the result of a complex process promoted by the Inter-ministerial Committee for Human Rights.

This is a strategic document prepared by an ad hoc working group to which numerous ministries and institutions have contributed. Its contents are also the outcomes of extensive consultations involving experts in this sector, as well as representatives of the business world, trade unions and non-governmental organizations. In this spirit of openness, sharing and participation, the Plan was finally subjected from September 13 to October 4, 2021 to an online public consultation that allowed to enrich the text with comments from civil society, businesses and many citizens.

We now have an updated document, dedicated to the interaction between respect for human rights and business dimension. An approach that has found renewed dynamism with the launch of the 2030 Agenda for Sustainable Development, Italy being strongly committed to its implementation.

The Plan updates and ensures continuity with the commitments already undertaken in the previous edition. It also introduces new voluntary commitments, with the intention of ensuring consistency between the national position and the Guiding Principles on Business and Human Rights, unanimously adopted in 2011 by the United Nations Human Rights Council.

In this perspective, it incorporates the recommendations addressed to Italy on the occasion of the third cycle of the Universal Periodic Review (2019-2020) relating to the prevention and management of risk - in terms of policies, legislative and administrative measures - of the involvement of businesses in potential human rights violations in conflict situations, and support to businesses in the implementation of legislative measures to combat forms of labor exploitation in the agriculture sector.

Being confident that the Plan will contribute to an increased awareness and knowledge of tools available for the respect and promotion of human rights, I extend my deepest thanks to the CIDU and all those, institutional actors and individual citizens, who have generously contributed to it.

*Rome, 1 December 2021*

**AFTERWORD BY THE HON. UNDERSECRETARY OF STATE  
BENEDETTO DELLA VEDOVA**

Business companies create prosperity, contributing to the economy and collective well-being. Their activities impact not only on their customers, employees, suppliers and contractors in logistics management and throughout the supply chain, but often on entire communities and the environment. This makes it more vital that any company - large, medium or small - rigorously implements international standards of human rights protection.

The second National Action Plan on Business and Human Rights aims to strengthen the implementation of the UN Guiding Principles on Business and Human Rights through their systematic promotion in all relevant international systems as an integral part of a universal vision on human rights, sustainable development, democracy and rule of law.

In this context, the application of the Guiding Principles will also be promoted in relation to the Sustainable Development Goals of the 2030 Agenda and the contents introduced by the UNGPs 10+ project launched by the competent UN Working Group on Business and Human Rights.

Relevant in the Plan are issues and practices related to the protection of the environment, health, decent work and 'Human Rights Defenders.' It is also related to the context of the new challenges posed by the gig economy and the National Recovery and Resilience Plan (PNRR), in correlation with the opportunities offered in post-Covid-19 recovery. It also seems necessary to investigate new issues related to technological development and artificial intelligence in order to highlight their possible impact on the enjoyment of human rights.

More preventive efforts need to be made: I think firstly to proper due diligence and impact assessment by companies: better to prevent than to compensate.

Finally, the commitment to update and improve the collective action in relation to multiple issues related to human rights in terms of protection of the most vulnerable groups (women, children, people with disabilities, LGBTIQ+, migrants and asylum seekers, people belonging to ethnic and religious minorities) is fundamental, where individual aspects related to business activities can have a significant impact on these groups from a labour and economic point of view.

It is my greatest hope that the challenges, as well as promising practices, contained in the second National Action Plan will encourage legislators to remain vigilant on these fundamental aspects of labour market as well as business companies to adopt and promote conducts in line with the highest standards of respect for human rights.

*Rome, 1 December 2021*

## I. GUIDELINES AND GENERAL PRINCIPLES

The adoption of the UN Guiding Principles on Business and Human Rights (UNGPs) and their progressive implementation in a multi-stakeholder perspective has generated a favourable international context for the assumption of new commitments aimed at promoting economic development accompanied by greater equity, widespread well-being and social justice. A commitment that, as the UNGPs recall, must involve every actor - institutional and non-institutional, central and local - for the purpose of their comprehensive, multi-dimensional and multi-sectoral implementation.

In this context, Italy's second National Action Plan on Business and Human Rights (NAP-BHR) aims to be an evolving and increasingly effective functional tool in light of the 2030 Agenda and the Sustainable Development Goals, and the contextual challenges that arise at the global level. It is created within the framework of a broader political vision on human rights, which Italy already promotes both in its own country and in every international forum.

In line with the guidelines shared within the United Nations, the Organization for Economic Co-operation and Development and in the European context, as well as within the G7 and G20 co-ordination frameworks, Business and Human Rights' issues have now acquired a growing importance for an international policy inspired by the protection and promotion of human rights. Moreover, the need to integrate the protection of Human Rights in any activity of an economic nature has been made particularly evident during 2020, in the face of the new crisis caused by the Covid-19 pandemic.

According to these premises, as well as in the framework of Italy's constant commitment as a member of the Human Rights Council, the second Italian NAP-BHR intends to strengthen the application of the UNGPs through a series of complementary measures, referring in particular to the following guidelines:

- the systematic promotion of BHR issues in all relevant international fora as an integral part of a universal vision of Human Rights, Sustainable Development, Democracy and the Rule of Law. In this context, the application of the UNGPs should therefore also be promoted in relation to Sustainable Development Goals (SDGs) of the 2030 Agenda (in particular SDGs 4, 5, 8, 10, 12, 16, 17) and the contents introduced by the UNGPs 10+ project initiated by the relevant UN Working Group on Business and Human Rights;
- addressing issues and practices related to the protection of the environment, health, decent work and 'Human Rights Defenders', also in the face of the new challenges posed by the gig economy and in the context of the National Recovery and Resilience Plan (NRRP), in correlation with the challenges of multi-dimensional post-Covid-19 reconstruction;
- the need to study in depth innovative issues related to technological development and artificial intelligence - also in relation to the Declaration of Rights in the Internet adopted by the Italian Parliament on 31 July 2015, in order to highlight their possible impact on the enjoyment of human rights, as well as an adequate action of corporate Due Diligence, and further innovative issues related to

activities promoted by cultural companies with an important impact on the promotion of human rights;

- the commitment to update and improve collective action in relation to multiple human rights issues from the perspective of protecting the 'most vulnerable' (women and girls, minors, persons with disabilities, LGBTIQ+ persons, migrants and asylum seekers, persons belonging to ethnic and religious minorities, the elderly), with the aim to empower their role and involvement as right-holders, where individual aspects related to business activities may have a significant impact on these categories from a labour and economic point of view.

In this perspective, the second NAP-BHR updates the BHR issues in view of the renewed vision proposed in the main international and regional intergovernmental systems, and it consistently and continuously preserves the commitments already undertaken while proposing a new reading in the light of the evolution of the global debate by introducing new voluntary commitments precisely to ensure that the Italian position is in line with the conceptual and executive update of the UNGPs.

So far the second NAP-BHR also incorporates the recommendations received during the third cycle of the Universal Periodic Review, relating to efforts - in terms of policies, legislative and administrative measures - to prevent and manage the obvious risk of companies' involvement in human rights violations in conflict situations, and to support companies in better implementing legislative measures to combat labour exploitation in the agricultural sector.

As already ensured in the previous NAP-BHR, the implementation dimension of past and new commitments as a whole will be referred to a special coordinating body, composed of all the representatives of central Administrations responsible for BHR issues; the programmatic commitments undertaken in the second BHR-NAP for the better implementation of the UNGPs will be monitored through the introduction, appropriate use and updating of adequate performance indicators, so that they can effectively guide the legislative, regulatory and administrative programmatic action of the institutions at the domestic level, albeit in open and constructive dialogue with the business world, as well as the cooperative action that Italy puts in place in the international bilateral and multilateral cooperative dimension.

## **II. PREMISES**

### ***a) INTRODUCTION***

Since the adoption of the United Nations Guiding Principles on Business and Human Rights (UNGPs), the framework outlined by the Organization has been progressively updated, while remaining anchored to the structuring of the Principles in the three fundamental pillars: the duty of States to protect human rights, the responsibility of businesses to respect human rights, and access to remedy.

Undoubtedly, the entrepreneurial dynamics recorded after the adoption of the UNGPs have been characterized by a different but complementary approach ensured by Governments and companies (multinationals and small and medium companies - SMEs) in order to prevent and manage the negative consequences of productive activities on the full enjoyment of human rights by individuals and communities. At the same time, the innovative scope of the UNGPs has initiated a process that has involved the same



companies, private investors and financial institutions, instrumental for the introduction of stricter rules - the so-called Human Rights Due Diligence - at national, regional and international level. This will be aimed precisely at identifying, preventing and mitigating the negative impact caused by business initiatives on human rights.

In more recent times, BHR issues have experienced new criticalities, especially with respect to the accessibility and use of remedial mechanisms. These criticalities are related to companies' and stations' responsibilities along the global supply chain and the space without physical boundaries proper of digital technologies.

Ten years after its adoption, the United Nations Working Group has outlined the framework for the implementation of the UNGPs in a new perspective (Roadmap for the Next Decade) in order to promote a renewed dialogue with the above-mentioned actors so that the UNGPs can be translated into concrete and effective actions at the national level. This would guarantee a real policy coherence as for commitments undertaken at the multilateral, regional and international level.

The evolutionary reading of BHR issues has taken on an innovative connotation also in the European context: the Commission has proposed a series of important legislative initiatives on aspects such as sustainable corporate governance and related reporting methods, development cooperation, trade dynamics, sustainable finance, labour and environmental dimensions, analysis of the impact of business activities in environmental, social and governance terms, with a view to achieving the SDGs and implementing the multi-actor and multi-dimensional commitments introduced in the 2030 Agenda.

A particular attention to BHR issues has been introduced in the Action Plan on Human Rights and Democracy 2020-2024, in the perspective of a wider process for the elaboration of a comprehensive EU framework dedicated to the implementation of the UNGPs. In the aforementioned document, the institutions commit themselves to conducting a dialogue with businesses in order to increase the level of protection and promotion of human rights, with the aim of combating corruption and introducing good practices in the area of corporate social responsibility, Due Diligence, accountability and access to remedy, and to fostering contacts and exchanges between businesses and civil society also in the area of women's empowerment, sustainable development and decent work. This is in addition to strengthening their commitment at the multilateral level and in the development of new tools and materials to advance understanding on these issues. In this approach, the role of the institutions is crucial in terms of comparison and horizontal collaboration both internally (at the central level and in the European Delegations) and externally (with development banks and international financial institutions) and in the dialogue with Member States. The institutions consider a targeted business action to ensure the protection of human rights in the labour market, along the supply chain, and in the context of relevant challenges posed by digital technologies .

The implementation reading of the UNGPs was updated during 2020, in view of the significant, and not entirely predictable, impact of the pandemic on human rights and on the slowdown in global business activities. Precisely because of the effects of the global health crisis, which has led to a current economic and manufacturing crisis, the relevance of the UNGPs is even more crucial in shaping how to achieve a responsible and resilient recovery.

The UN Working Group has stressed how, in such a situation, the likelihood of the threat of human rights abuses has increased, especially for workers who were already in precarious conditions because inadequately contracted or in any case poorly remunerated and

lacking adequate social assistance. For a commitment to 'Build Back Better', it is necessary to strengthen measures to safeguard the rights and social protection of workers, especially female workers, together with greater use of financial assistance and tax relief measures.

***b) ITALY AND THE UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS (UNGPs)***

In compliance with international binding and recommendatory or declaratory standards to ensure adequate promotion and protection of human rights, formulated and adopted in several intergovernmental systems, Italy adopted the first National Action Plan (NAP) on Business and Human Rights in 2016.

As stated in it, "The NAP addresses the issue of the negative impact of business activities on human rights and identifies specific commitments with the aim of effectively integrating the UNGPs into the national system and business activities" and introduces limited objectives and actions, with reference to the national context translated into the following priorities:

1. The promotion of corporate processes of Human Rights Due Diligence, aimed at identifying, preventing and mitigating potential risks, with particular attention to small and medium-sized enterprises;
2. The fight against *caporalato* (especially in the agricultural and construction sectors) and forms of exploitation, forced labour, child labour, slavery and irregular work, with particular attention to migrants and victims of trafficking;
3. The promotion of fundamental labour rights in the process of business internationalization, with particular reference to global production processes;
4. The strengthening of Italy's role in the framework of a human rights-based international cooperation for development;
5. The fight against discrimination and inequality and the promotion of equal opportunities;
6. The promotion of environmental protection and sustainability.

In order to ensure the best implementation of the NAP, through a periodic monitoring of results achieved, a special Working Group on Business and Human Rights (GLIDU) has been set up at the Inter-ministerial Committee for Human Rights (CIDU), whose members are representatives of the central Administrations concerned and which convenes for two sessions a year. The mandate of the GLIDU was therefore articulated in the supervision of the progressive implementation of the first NAP, in the coordination of monitoring by the Administrations involved, in the eventual formulation of substantive amendments motivated by new legislative or operative needs entailing significant changes in the country-system approach on business and human rights.

Furthermore, in order to ensure the continuity of the dialogue carried out in the drafting phase of the first NAP with non-institutional stakeholders, provisions were made for the establishment of a consultative group. This was usually conveyed in an open dialogue meeting with the GLIDU (following each of the two annual meetings) whose participants were invited to propose contributions on the issue representing business associations, trade unions, non-governmental organizations, civil society, human rights defenders, experts in the field and the academic world.

In 2018, again in the framework of the GLIDU, a voluntary review exercise was completed on the contents of the first NAP, to be submitted to the attention of the United Nations Working Group. In the same year, Italy was the host country of the session dedicated to Governments of the annual Forum on Business and Human Rights organized by the United Nations in Geneva. The dialogue with the Working Group continued in 2021, in particular the visit made to Italy from September 27 to October 6. The results will be translated into the report that the Working Group will present to the Human Rights Council in 2022 and whose recommendations - anticipated at the end of the same visit - have been taken into due consideration in the compilation of the second NAP.

### **c) NATIONAL PRIORITIES**

The priority commitments undertaken in the framework of the first National Action Plan on Business and Human Rights have been progressively implemented. The expected results have allowed Italy to carefully evaluate not only the opportunity to reaffirm their relevance in order to guarantee an effective and continuous implementation of the UNGPs, but also to consider new elements of interest, urged by international bodies, for the definition of renewed and innovative national priorities in this field.

To this end, the following national priorities of the second National Action Plan on Business and Human Rights are formulated:

1. STRENGTHENING OF THE PROCESS TO OUTLINE A REGULATORY FRAMEWORK FOR HUMAN RIGHTS DUE DILIGENCE, IN ACCORDANCE WITH INTERNATIONAL STANDARDS AND DEVELOPMENTS IN THE EU, IN ORDER TO IDENTIFY, PREVENT AND MITIGATE RISKS AND MANAGE EVENTUAL HUMAN RIGHTS VIOLATIONS BY BUSINESS COMPANIES;
2. THE PROMOTION OF FUNDAMENTAL RIGHTS THROUGH BUSINESS ACTIVITIES BOTH OFFLINE AND ONLINE ALONG THE SUPPLY CHAIN, AT LOCAL, NATIONAL, REGIONAL AND GLOBAL LEVEL;
3. COMBATING ALL FORMS OF DISCRIMINATION IN THE DEFINITION OF BUSINESS COMPANIES' STRATEGIC PRIORITIES IN ORDER TO GUARANTEE A PERFORMANCE THAT RESPECTS DIVERSITY, WITH PARTICULAR REFERENCE TO AUTOMATED INFORMATION MANAGEMENT MECHANISMS AND DIGITAL SYSTEMS;
4. A COLLECTIVE AWARENESS OF THE IMPACT THAT NEW TECHNOLOGIES, ESPECIALLY ARTIFICIAL INTELLIGENCE, COULD HAVE ON THE ENJOYMENT OF HUMAN RIGHTS, WHILE PAYING ATTENTION TO THE PROMOTION OF CORPORATE DUE DILIGENCE PROCESSES ON HUMAN RIGHTS WITHIN THE ACTIVITIES OF THOSE COMPANIES INVOLVED IN RESEARCH AND DEVELOPMENT OF NEW TECHNOLOGIES;
5. STRENGTHENING OF MEASURES TO PREVENT AND COMBAT ALL FORMS OF EXPLOITATION IN THE LABOUR SECTOR, BOTH PUBLIC AND PRIVATE, INFERRING VULNERABLE GROUPS AS VICTIMS, WITH PARTICULAR REFERENCE TO WOMEN, MINORS, PERSONS WITH DISABILITIES AND LGBTIQ+ PEOPLE;
6. STRENGTHENING OF LEGISLATIVE AND POLICY MEASURES RELATING TO THE PREVENTION AND COMBATING OF THE PHENOMENON OF 'CAPORALATO' (ESPECIALLY IN THE AGRICULTURAL AND CONSTRUCTION SECTORS);
7. THE PROTRACTION OF PLANNING AND IMPLEMENTATION OF SUPERVISORY ACTIONS AND INFORMATION INITIATIVES FOR THE PREVENTION OF OFFENCES AND THE PROMOTION OF LEGALITY IN THE FIELD OF OUTSOURCING OF ENTREPRENEURIAL ACTIVITIES AND SUBCONTRACTING CHAINS, AIMED AT GUARANTEEING ADEQUATE PROTECTION FOR WORKERS AND EFFECTIVE AWARENESS OF THEIR RIGHTS;
8. THE CONSOLIDATION OF ITALY'S ROLE IN THE CONTEXT OF INTERNATIONAL COOPERATION PROCESSES FOR HUMAN RIGHTS-BASED DEVELOPMENT, WITH A VIEW TO ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS SET OUT IN THE 2030 AGENDA;

9. THE PROMOTION OF PROTECTION OF THE ECOSYSTEM AND ENVIRONMENTAL SUSTAINABILITY PROCESSES, TAKING INTO CONSIDERATION THE IMPACT OF BUSINESS COMPANIES' ACTIONS ON PEOPLE AND COMMUNITIES IN THE MEDIUM AND LONG TERM.

### III. EXPECTATIONS TOWARDS BUSINESS COMPANIES

The dialogue with business actors, started and managed already in the framework of the first NAP, has allowed Italy to identify the most relevant aspects regarding positive experiences and lessons learnt, as well as critical issues in the private sector at all levels, for the full transposition and effective implementation of the UNGPs.

Although the Principles, as introduced in the second pillar of the BHR framework, refer directly to the role and action of business, it is important that the second NAP addresses in a coherent and constructive way the opportunities in dialoguing with business, with particular reference to legally binding and non-legally binding standards set and adopted at international and European level.

In this regard, preliminary mention can be made not only of OECD Guidelines on the Corporate Governance of State-Owned Enterprises, but also of Principles of Corporate Governance jointly drawn up by G20 and OECD. These are instrumental in facilitating the introduction of legislative measures (with fiscal impact, for example) and programmatic documents in favour of companies for medium and long-term investments, so that the promotion and protection of human rights can be concretely and effectively guaranteed and the effective adoption of the duty of diligence properly ensured.

Also on the European level, especially since 2019, a wider and more comprehensive view about corporate social responsibility and responsible business conduct has been encouraged, concretely confirmed witnessed by numerous business good practices in compliance with a series of voluntary measures and regulations. The renewed and dynamic entrepreneurial approach is based on corporate governance *structures* to overcoming short-term financial advantages for environmental, social and human sustainability in the medium and long term in the context of the European Union's initiatives on the circular economy, biodiversity and sustainable financial growth. At the same time, corporate governance was consolidated through the implementation of Directive (EU) 2014/85 on non-financial reporting, so relevant today. Its revision is in pipeline with the challenges posed by the pandemic and mentioned in the Communications on the European Green Deal and on "Europe's moment: Repair and Prepare for the Next Generation" for a business vision of the opportunities for economic recovery in the long term.

A more recent shift in 2020 has been recorded in the debate focused on the principle of Due Diligence in the supply chain, which is considered fundamental for companies wishing to carry out sustainable production activities that respect human rights.

In relation to the dynamism of the international and European entrepreneurial context, the multi-dimensional nature of the Italian system strongly emerges, as a very large and diversified number of companies have voluntarily adhered to the UNGPs. They have shown particular attention to the human rights component as the foundation of processes of economic growth and development.

In this area it is important to mention:

- the transposition of Directive (EU) 2014/95 on non-financial reporting through Legislative Decree No. 254/2016;
- the implementation of the Regulation (EU) 2017/821 on "conflict minerals": the Regulation entered into force on 1 January 2021 and Legislative Decree No. 13 of 2 February 2021 provides for its adequate domestic implementation.

Another relevant aspect to foster dialogue with companies is the transition to a circular economy: particular attention is paid in this area to the measurement of economic activities for a proper performance assessment through standardized and verifiable budgets. It is necessary to define precise references to this scope. By measuring circularity, companies identify the kind, characteristics and quantity of resources used (materials, energy, water and air/emissions) in an input-output process, and are able to assess how efficient their management, throughout the life-cycle, is able to limit costs and impacts. In Italy, State Administrations involved, with the technical and scientific support of ENEA, have adopted a document published in December 2018 entitled "Circular Economy and efficient use of resources. Indicators for the measurement of Circular Economy", as a starting point for two new regulatory projects: one dedicated to measurement of circularity, and the latter to the analysis of best practices already implemented by Italian organizations. The public consultations have ended and the standards (UNI 1608856/ UNI 1608977) will be published at the beginning of 2022.

Equally important is the challenge posed by digitization: it is a priority for the country's economic recovery, and the allocation of PNRR resources will lead to greater connectivity with the strong benefits in terms of growth, not only economic. This rapid evolution must not turn into a critical issue that could jeopardize the protection of human rights. The involvement of Italian companies in the multistakeholder approach within the national and international cybersecurity ecosystem could represent an opportunity to act accordingly in cyberspace, safeguarding and promoting democratic standards and human rights.

In carrying out the dialogue with businesses, the Inter-ministerial Committee for Human Rights, in collaboration with several large Italian companies particularly active on the BHR issue, launched an innovative initiative - also at the international level - defined as "Champions". Since 2019 it has conceived this initiative as a proposal aimed at using the flywheel of large companies to raise awareness of the issue, also among SMEs. This is in direct relation to measure 30 in the revised NAP ("Promote and encourage leading multi-stakeholder initiatives involving both big companies and SMEs for exchange and common action on BHR"). In this context, on 9 May 2019, the Committee organized a meeting attended by a number of large Italian companies (including ENI, ENEL, CNH - FIAT Group, *Assicurazioni Generali*), which confirmed their interest and full willingness to support the promotion of information regarding the NAP in their respective business structures, as well as to spread knowledge, value and positive spill-over effects of the UNGPs.

Finally, the importance of the business with respect to the three areas of action - *People, Planet, Prosperity* - at the core of the agenda of the Italian Presidency of the G20-2021, constituted a further operational area with particular reference to the W20 (Women) and B20 (Business) engagement groups. The promotion of informal debate events on the BHR issue aimed at improving good practices of large Italian companies (such as, for example, ENI - recently positioned at the top of the "Corporate Human Rights Benchmark 2020" - and ENEL, member of the Board of the "United Nations Global Compact"). Moreover an ongoing reflection, at UN level, was launched on the next decade of application of the UNGPs (UNGP+10). A special event co-organized by the Inter-ministerial Committee on Human Rights in collaboration with W20 was held remotely on 29 January 2021 and was

dedicated to "Business and human rights: a gender perspective", with the participation of the Chair and Sherpa of W20 and two members of the BHR Working Group. With reference to the activity of B20 Italy, chaired by Confindustria, it should be noted that the concepts of integrity and compliance, especially in this historical moment marked by new global risks, notably the Covid-19 pandemic, have been interpreted in a broader way. This increasingly links them to the idea of sustainable business. In particular, the new vision of the concept of compliance, developed by the Integrity & Compliance Task Force, reflects the intention to create an ecosystem in which companies are called upon not only to pursue the profitability of their investments, but to integrate other interests by creating value for stakeholders. The TF's recommendations, collected in a policy paper presented to G20, are therefore based on two fundamental themes: the fight against illegality, especially in sensitive areas such as public procurement and management of financial flows; and the promotion of sustainable governance in economic activity.

#### IV. ITALIAN ONGOING ACTIVITIES AND FUTURE COMMITMENTS

##### a) FOUNDATIONAL PRINCIPLES

###### **Guiding Principle 1**

States must protect against human rights abuse within their territory and/or jurisdiction by third parties, including business enterprises. This requires taking appropriate steps to prevent, investigate, punish and redress such abuse through effective policies, legislation, regulations and adjudication.

For the consolidation of the implementation commitments of the UNGPs in the framework of the first pillar, on the basis of the transposition of international standards at the national level, Italy intends to continue to ensure the highest level of protection of human rights from a legislative and operational perspective.

To this end it is necessary:

- proceed with the adaptation of the national legislative framework on human rights and business to bring it in line with expectations through the recognition of binding legal instruments in force at international and regional level as well as non-binding standards;
- implement the recommendations received and accepted during the third cycle of the Universal Periodic Review on human rights and business;
- in agreement with parliamentary authorities, support the process for establishing an independent national human rights institution in accordance with the Paris Principles of 1993;
- promote the adoption and support the implementation of professional recruitment mechanisms by companies at both national and international level so that they are fair and ethically sustainable, and encourage the application of legislative measures concerning the role and activities of intermediaries, while promoting the elaboration and implementation of regular employment contract models;
- strengthen cooperation with trade unions, human rights defenders, non-governmental organizations and civil society, and ensure adequate support because of their essential role in promoting and protecting human rights in business and production processes;
- promote initiatives to raise awareness and information campaigns on the interconnections between business activities and human rights, on financial education and sustainable finance, through targeted interventions aimed at the younger generations, with reference to the paths for Transversal Skills and

Orientation (PCTO) provided by the Ministry of Education, in collaboration with representatives of teaching staff and students;

- pay more attention to economic, social and cultural rights from a business perspective, in order to develop actions with an impact on sustainability promoted by cultural companies;
- pursue an organizational and reform process in the decontamination sector, acting on both administrative and operational functions in collaboration with regional bodies, to renew and make the system more efficient, combating environmental damage;
- promote the NAP and the UNGPs among associations representing in the Italian economic field in order to improve their dissemination with Italian companies;
- within the framework of internationalization processes of Italian companies and public-private collaboration with *Confindustria*, *Unioncamere* and the network of bilateral Chambers of Commerce abroad, diffuse the principles of business and human rights in a widespread manner and provide adequate support in a manner consistent with the priorities of the NAP.

### **Guiding Principle 2**

States should set out clearly the expectation that all business enterprises domiciled in their territory and/or jurisdiction respect human rights throughout their operations.

Italy renews its commitment for an open and constructive dialogue with businesses of all sizes who operate at different levels and in multiple sectoral areas. So far they could ensure respect for human rights in their structures, in planning and implementation of their development and economic growth strategies along the whole supply chain, as enshrined in the main binding and non-binding international legal instruments.

In this perspective, it is appropriate to recall the constituency of the Global Compact for an entirely complementary and reinforcing reading of the UNGPs, and guidance and documents adopted in this context to guarantee adequate corporate sustainability in the definition of business strategies.

In addition, Italy reaffirms the commitment made by signing the OECD Declaration for International Investors and the OECD Guidelines for Multinational Companies in promoting the standards of conduct expected in many areas, including human rights.

Equally relevant is the negotiation process aimed at the adoption of international standards promoted by the International Labour Organization. They refer to the UNGPs and Sustainable Development Goal 8 of the 2030 Agenda, in emphasizing the importance of key factors such as coherence, cohesion, complementarity and collaboration between public and private actors (multinational companies and small and medium-sized companies) to ensure the highest level of protection of human rights in the labour sector along the entire production and supply chain. On the occasion of the centenary celebration of the adoption of the ILO Declaration for the Future of Work in 2019, the need for effective and responsible management of business production activities at the global level was highlighted, for enhanced Due Diligence mechanisms for strengthened protection of human rights, decent work and sustainable economic and social development. The same Vision Zero Fund, created by the Organization to prevent dangerous situations for workers and to raise the level of safety in the workplace in the same global supply chain, aims to meet this objective. In this perspective a training project has been promoted by the ILO Training Centre in Turin, with the participation of Confindustria, on the theme "Business and Decent work: How companies contribute to achieve decent work for all (SDG 8)" that

aims to analyze and deepen the various operational tools made available by ILO. This includes those aimed at reaching an effective protection of human-social rights by businesses, by analyzing concrete ways through which they can contribute to achievement of SDG 8 of the 2030 Agenda.

The ILO Office for Italy and San Marino launched a survey in March 2021, shared with the Inter-ministerial Committee on Human Rights for dissemination through public channels as a confirmation of dialogue and collaboration with international bodies in Italy, designed to collect and disseminate, through expected results, data and information on good practices - employment promotion, diversity and equal opportunities in the workplace, worker welfare, staff training and supply chain management - of Italian companies in the framework of corporate social responsibility.

## (B) OPERATIONAL PRINCIPLES

### **General regulatory functions of the state and policy**

#### **Guiding Principle 3**

In meeting their duty to protect, States should: (a) Enforce laws that are aimed at, or have the effect of, requiring business enterprises to respect human rights, and periodically to assess the adequacy of such laws and address any gaps; (b) Ensure that other laws and policies governing the creation and ongoing operation of business enterprises, such as corporate law, do not constrain but enable business respect for human rights; (c) Provide effective guidance to business enterprises on how to respect human rights throughout their operations; (d) Encourage, and where appropriate require, business enterprises to communicate how they address their human rights impacts.

Italy confirms its commitment to comply with its obligation to protect human rights, in terms of prevention of violations and compensation mechanisms, enshrined in the UNGPs.

In this perspective the objective will be to:

- i) promote any useful intervention aimed at increasing the knowledge of the UNGPs at the institutional level, as for legislative processes aimed at strengthening the level of protection of human rights by companies, so that in the same processes such standards are adequately introduced and referred to;
- ii) encourage virtuous paths of dialogue, comparison, exchange of knowledge and best practices inspired by the multi-stakeholder dimension of the UNGPs;
- (iii) encourage companies to consolidate or activate communication tools concerning the human rights impact of their production activities.

GP. 3(a) Enforce laws that are aimed at, or have the effect of, requiring business enterprises to respect human rights, and periodically to assess the adequacy of such laws and address any gaps.

### **Legality rating**

The legality rating is an indicator of compliance with high standards of legality by companies. It is a tool introduced into Italian law by Decree Law No. 29 of 24 March 2012 in order to promote principles of ethical behavior in the business environment through the assignment of a recognition, measured in "stars". These are indicative of the respect for legality by companies that have requested it and, more generally, the degree of



attention paid to the proper management of their business. The rating is linked by law to advantages in the granting of public loans and facilities for access to bank credit.

In order to ensure its full implementation, through a careful and systematic monitoring action, the Antitrust Authority has been mandated to this scope. It can be activated upon request to issue a certificate of compliance with current legislation to companies that demonstrate that they have voluntarily included in their structure, in programmatic and operational terms, security measures and management and administrative transparency.

At the beginning of 2020, the Authority launched a public consultation on the revision of the implementing regulation on legality rating, which ended at the end of July 2020 with the approval of some changes for the functioning of the mechanism. These changes were aimed at enhancing the rewarding nature of the tool - through the extension of the subjective and objective scope of the regulation - eliminating some interpretative doubts and simplifying the issuance procedure.

Furthermore to enhance the tool, a targeted collaboration between the Antitrust Authority and the National Anti-Corruption Authority has made it possible to increase the guarantee of the level of protection of human rights by businesses by configuring an additional tool of the business rating. With respect to this tool, ruled between June and August 2020, more than 200,000 applications were submitted by Italian businesses for recognition of the standard.

### **Administrative liability of companies**

Twenty years after the approval of Legislative Decree No. 231 of 2001, which governs the administrative liability of companies and entities, the Ministry of Justice has recently set up a working group with the CNPDS (National Centre for Prevention and Social Defence Foundation), *Confindustria* and *Assonime*.

The aim is to measure the effectiveness and consistency of regulations on administrative liability for crimes of collective entities within the country, and to assess the appropriateness of any reforming measures.

In particular, the working group intends to propose solutions to remedy the following critical aspects of the current legislation:

- insufficient focus on the size and organizational complexity of companies covered by Legislative Decree No. 231/2001, with particular reference to small and medium-sized companies, as well as public bodies;
- heterogeneous nature of the catalogue of offences;
- difficult adaptability of criteria such as interest and advantage to cases when the offence upon the company makes it directly responsible;
- lack of clarity regarding the composition and powers of the Supervisory Board;
- requirement of fraudulent avoidance in cases where the offence is committed by a senior officer/manager;
- low appreciation of national and international standards incorporated in organizational business models;
- impact on judicial (un)assessment over business models;
- lack of legislative recognition about procedural collaboration from companies (e.g. probation as for US DPA and NPA), against the introduction of non-accountability of physical persons (e.g. in tax crimes and crimes against the public administration);
- evaluation of the potential impact of precautionary measures, both of a real and prohibitory nature, also by virtue of the correlation between precautionary measures and definitive sanctions as governed by Legislative Decree No. 231/2001;

- complexity of the sanctioning system, having regard to limited pecuniary sanctions, complex nature of confiscation, possible impact of prohibitory sanctions, absence of sanctions expressly aimed at favouring a compliant re-organization of the entity.

One of the priority areas in the country-system is to guarantee an efficient management of seized companies and to bring them back into the realm of legality. The aim is to achieve, also through new forms of collaboration with virtuous economic actors and with all the institutions, an accomplished path of recovery following the criminal action.

In February 2021 the Ministry of Justice issued an extensive and articulate circular for the implementation of EU Regulation (EU) 2018/1805 on the mutual recognition of freezing and confiscation orders.

Still in the perspective of cooperation, the Ministry is committed to include the documentation on its anti-mafia and anti-corruption policies in the "Sherloc" portal created by UNODC, in view of reforms to be introduced in legal systems of many States exposed to serious criminal emergencies.

Among the measures of prevention provided for by the so-called *Anti-mafia Code*, besides confiscation, there are measures concerning the judicial administration of goods and properties connected to economic activities and of the companies (Art. 34 of the Legislative Decree No 159/2011) and the residual judicial control of companies (Art. 34 bis of the same Decree). These can allow the judicial authorities to operate gradually and to calibrate preventive intervention in relation to proper circumstances, without necessarily having to resort - at least in the first instance - to removal; this favours, through targeted management, business continuity as well as return to legality.

Data collected by the Ministry of Justice (recorded in the Central Data Bank managed by the General Directorate for Internal Affairs of the Department for Justice Affairs) certainly confirm this approach.

As of December 31, 2020, the proceedings related to measures of patrimonial prevention are 10,239, with an increase of 426 units compared to 9,813 detected at December 31, 2019. Data show, however, the prevalence of proceedings recorded by offices in Southern Italy for years 2018-2020 - 44% of proceedings recorded at a national level. It should be noted that in the last three years the incidence of Northern areas has definitely increased. Also significant are data concerning goods and properties interested by procedures of prevention collected in the Central Data Bank, which result as a total equal to 215,995. Of these, 81,913 are those confiscated (in particular, 47,388: non-finally confiscated; 34,525 finally confiscated). In the first five months of 2021 there were 2275 measures of prevention for final confiscation.

Along these considerations, possible improvements and objectives to be set and achieved are as follows:

- refinement of activities to identify assets to the Judicial Authority or already acquired by the State. It is necessary to continue for consolidation of information flows between the Central Data Bank and the National Agency of confiscated and seized goods and properties, as well as between Judicial Offices and the Agency. Such refinement, also through interventions provided within the 'digitalization' line of action within the National Plan of recovery and resilience (for example, the 'data-lake'), could lead to a complete 'due diligence' of patrimony acquired or, however, managed by the Authority;
- improvement of the administration of seized and confiscated assets to foster business continuity protected from mafia contamination;
- investigation of the potential of the 'social destination' of confiscated assets. It is a complex process, which requires, on the one side, to 'systematize' all the necessary competencies to verify, for example in the case of a seized or confiscated company (i.e. subjected to judicial control), its degree of dependence on resources and "services" offered by organized crime, together with possibilities, also organizational, of an effective recovery to legality as a structurally 'virtuous' economic tool; on the other - and this can

apply as much to a company as to an asset or a complex of assets of another nature - a complete coordination between all institutions involved to realize the most effective social destination.

### **Irregular work and the agricultural sector**

Law No. 199/2016 on combating *caporalato* in agriculture has already achieved significant results: the Italian Government aims to fully implement the law, not only to repress the phenomenon but also to prevent it, as well as to strengthen the Network of quality agricultural work.

To this end, on 16 October 2019, the Inter-institutional Steering Committee on *Caporalato* was set up, whose work led to the approval of the Three-Year Plan (2020 - 2022) in February 2020. This plan develops the national strategy to combat *caporalato* and labour exploitation in agriculture and obtained the agreement of the Unified Conference in May 2020.

The Committee work and the Three-Year Plan are the result of a methodology based on inter-institutional cooperation and dialogue between economic actors and civil society at a both central and local level. The Committee is the coordinating body at a national level responsible for orientation and programming of institutional activities and for monitoring the implementation of the interventions provided in the Three-Year Plan.

The Committee benefits from the support of the International Labour Organization thanks to the support programme for structural reforms of the EU Commission and is chaired by the Minister of Labour and Social Policies. Among its participants there are the Ministry of Agricultural, Food and Forestry Policies, the Ministry of the Interior, the Department for Equal Opportunities of the Presidency of the Council of Ministers as well as other institutional regional and local members. There are also representatives of workers' and employers' organizations in the agricultural and food sector, third sector associations, international organizations such as UNHCR and IOM, foundations such as the Observatory on Crime in Agriculture and the Agri-food System.

The aforementioned Plan envisages various lines of action, under a comprehensive system for a synergic and cross-cutting action. It is based on inter-institutional collaboration recalling to legality and dignity of work, as well as on the strengthening of investments in the agri-food chain. It provides for an implementation strategy articulated in three different phases: an initial phase of analysis of the phenomenon, followed by emergency interventions in the most critical areas and then a systemic action that embraces the entire national territory. The latter is structured on four priority axes that concern: (i) prevention, (ii) vigilance and contrast to the phenomenon, (iii) protection and assistance for victims, (iv) their socio-occupational re-integration. For each of these axes, the Plan identifies priority actions (in a total of 10 actions of which 7 are dedicated to prevention) that involve, in a multi-level governance setting, the different administrations at central, regional and local level.

The thematic priorities of the Plan were entrusted to six dedicated Groups, which were joined over time by two additional technical groups committed, respectively, to the development of the information system on the agricultural labour market and to the protection, assistance and socio-occupational reintegration of victims, both coordinated by the Ministry of Labour and Social Policies.

In 2020 a new working group was created within the Committee coordinated by the Directorate General of Immigration and Integration Policies of the Ministry of Labour and Social Policies. It was dedicated to protection and first aid to victims of labour exploitation. The working group counts upon the collaboration of experts from the Department for Equal Opportunities of the Presidency of the Council of Ministers, ANCI Reception and Integration System (former SPRAR), the Directorate General for the fight against poverty

and social planning of the Ministry of Labour and Social Policies, Regions, ANPAL, INAPP, INL, IOM and *Consortio Nova*. The work of the group, which started in December 2020, continued in the first half of 2021 and, in particular, 7 meetings were held which led, in line with the objectives of the Three-Year Plan, to the development of a draft of guidelines on the identification, protection and assistance of victims of labour exploitation and a proposal to amend the concerned legislation (Arts. 18 and 22 of Legislative Decree No. 286/1998). The Guidelines were officially presented to Committee in its meeting of 27 July 2021, obtaining broad consensus. The working group also started an in-depth analysis over forms of support and compensation provided in the current legislation and of additional measures that could be issued to promote better protection of victims of labour exploitation.

In relation to the agricultural sector along a wider perspective, the Ministry of Agriculture, Food and Forestry Policies, through the provision of incentives in the agro-food sector, promotes interventions for a better distribution of value along the supply chain with the aim of guaranteeing producers adequate remuneration. The Ministry intends to support and develop potential of rural areas throughout Italy, also through the implementation of the National Rural Development Programme, co-financed by the European Agricultural Fund for Rural Development (EAFRD). This programme is implemented at the regional level through Rural Development Plans (RDP).

Supply chain and district contracts are one of the main tools available encouraging investments in the agri-food sector. These contracts allow for the implementation of integrated investment programmes in different areas of the agri-food sector: production, processing, marketing and distribution activities; promotion and advertising of certified quality or organic products; and research and experimentation. In 2019, public investment amounted to € 520 million (€ 210 million in capital grants financed by the Development and Cohesion Fund and € 310 million in concessional financing).

Promoting a system of farms that is economically, socially and environmentally sustainable is essential to ensure product quality and decent working conditions, as well as to enhance the economic potential of companies and promote growth and welfare in different territories. The main challenges for improving the functioning of the agrifood supply chain (cultivation, harvesting, processing, transport and marketing) include the prevention of unfair market practices; combating the dispersion of value along the supply chain; transparency of the agricultural labour market and simplification of administrative procedures; promotion of mechanisms such as solidarity-based responsibility, traceability and product certification; and forms of aggregation of producers, including cooperatives.

Fair remuneration for operators in the agri-food production chain is of crucial importance in preventing labour exploitation. The fight against this phenomenon produces an effective guarantee of workers' rights and the safeguarding of agricultural businesses that suffer unfair competition from those who exploit labour force. In this regard, strategic and structural work is needed on the fair distribution of value along the entire supply chain through: (i) combating unfair market practices; (ii) strengthening supply chain policies; (iii) improving the organization and aggregation of agricultural companies; and (iv) efficiency, transparency and fairness of the agricultural labour market, including by making available information on the origin and destination of imported agri-food products.

In this framework the Network of Quality Agricultural Work and its territorial Sections play a key role in the adoption and implementation of measures to prevent and counteract labour exploitation and interventions aimed at protection, assistance and socio-occupational reintegration.

The number of companies that have adhered to the Network of Quality Agricultural Work is, at present, still limited and not uniformly distributed throughout the national territory. An important challenge to increase the number of adhering companies concerns the

enlargement of functions and activities of the Network, the distribution of the territorial Sections throughout the national territory and a greater support to these Sections where they are located mostly at risk. This challenge can be faced through the development of incentives to adhesion, through the enhancement of the Network membership and by means of a more capillary information and sensitization of businesses and consumers.

In order to disseminate and enhance the value of the Network's membership, it is necessary to intervene at the regulatory level to revise access requirements and simplify the registration procedure. Furthermore, promotional campaigns of the Network and of sensitization among companies and public opinion are foreseen, making at the same time more operational the consultation system of companies enrolled in the Network. The territorial Sections of the Network can promote the experimentation of efficient ways of matching labour supply and demand in close collaboration with ANPAL and with the national network of services. This can ensure the promotion of active labour policies, assistance policies for foreign migrant workers, as well as the management of labour migration flows.

To sum up, the priorities of the Network of Quality Agricultural Work are aimed at the revision of access requirements, a series of incentives to adhesion, territorial organization of the Network, identification of operational tools, and allocation of resources. It also includes the valorization of the role of the territorial Sections as an instrument for the implementation of concrete measures of prevention, contrast, protection and assistance; and the participation of the companies for traceability of products and certification mechanisms.

In this sector, it is confirmed the need to continue to ensure the commitment in the prevention, fight and control of the emergence of irregular work and *caporalato*: in this regard, it should be noted that the National Labour Inspectorate (INL), in order to stem the risk of expansion of illegal economy induced by the epidemiological emergency still in progress, will intensify its monitoring activities for an enhanced protection of victims of labour exploitation.

Particular attention will be paid to combating illegal work and possible undeclared employment of foreign workers affected by recent emersion procedures. In addition interventions for the protection and integration of migrant workers will be reinforced, in line with former actions in 2020, within the framework of the Steering Committee as well as the Three-year Plan to combat illegal labour. To this end experience and significant results have been achieved during inspections carried out by the extraordinary task forces organized in implementing the two projects financed with EU and national funds ("SU.PR.EME." and "A.L.T. Caporalato!"), the Ministry and inspection staff being assisted by cultural mediators from the International Organisation for Migration (IOM). The promotion and enhancement of synergies between territorial Labour Inspectorates, Public Safety Authorities, Public Prosecutors' Offices, Police Forces, Social Partners and Associations on the territory, jointly committed on several fronts (prevention, assistance, protection, repression) will also be promoted to strengthen the protection of victims, foster cooperation and increase trust in the institutions. Finally, vigilance in the agricultural sector will be implemented also with reference to social security and insurance profiles.

The National Institute of Labour (INL) has launched extraordinary surveillance campaigns based on a multi-agency approach in some areas of Southern Italy (only in the agricultural sector) and of Central and Northern Italy (mainly, but not only, in agriculture) where the phenomena of forced labour and labour exploitation of migrants are particularly present. In order to implement these projects, special task forces were set up consisting of local inspectors, Carabinieri from the Labour Inspectorate Units, inspectors from other territories, as well as the aforementioned cultural mediators. The inspections were

planned in coordination with local authorities (Public Prosecutor's Office and Prefectures) and with other supervisory bodies involved from time to time (INPS, INAIL, State Police, GdF, ASL...). The presence of the IOM cultural mediators, moreover, favoured the establishment of a relationship of trust between the inspection bodies and exploited workers, promoting their cooperation and also ensuring the activity of taking charge and protection of potential victims for the purpose of their subsequent socio-occupational reintegration (also through the paths provided by Arts. 18 and 22 of Legislative Decree No. 286/1998 - Consolidated Immigration Act).

The General Directorate for Immigration and Integration Policies of the Ministry of Labour and Social Policies and the International Labour Organization (ILO) further enhanced project initiatives through the publication of the call "Together to combat labour exploitation in agriculture" in November 2020. It allowed the selection and collection of a catalogue of good practices.

In particular, public and private actors, associations, employers' organizations and trade unions were invited to describe their practices by responding to a 37-question online questionnaire, which allowed an analysis on the basis of seven objective criteria: relevance and coherence, effectiveness, impact, efficiency, sustainability, innovation and replicability. A group of labour and social protection experts chaired by the Ministry and supported by the ILO reviewed and evaluated 67 proposals.

These initiatives have been adequately enhanced in June 2021 through the publication of a catalogue including the 50 most promising practices on the institutional portal [www.integrazionemigranti.gov.it](http://www.integrazionemigranti.gov.it) (for further information: <https://integrazionemigranti.gov.it/it-it/Dettaglio-approfondimento/id/34/XI-Rapporto-Gli-stranieri-nel-mercato-del-lavoro-in-Italia> (latest annual report on foreigners and the labour market); <https://integrazionemigranti.gov.it/it-it/Dettaglio-approfondimento/id/18/Caporalato-e-sfruttamento-in-agricoltura> (caporalato area)).

In 2020 the INL has significantly implemented its counteracting action on *caporalato* and labour exploitation. It has also implemented action 8 "Strengthening of surveillance activities and counteracting labour exploitation" of the Three-year Plan to combat labour exploitation in agriculture and *caporalato* (2020-2022) and of aforementioned project initiatives based on experimental approach.

In particular, the INL has carried out and coordinated extraordinary surveillance campaigns in some areas of Southern Italy (in the agricultural sector only, with the project Su.Pr.Eme (funded by the EU Commission and supported by the project PIU' SU.PRE.ME, for an amount of about € 50 million for the implementation of interventions in Puglia, Campania, Basilicata, Calabria and Sicily) and Central Italy (mainly, but not only in agriculture, with the project A.L.T. Caporalato! project, financed by the Ministry of Labour and Social Policies for an amount of € 3 million for actions in the territories of central and northern Italy), where the phenomena of forced labour and labour exploitation of migrants are particularly diffused.

In order to ensure the best possible organization of *task forces* in the geographical areas concerned, particular emphasis was placed on the activation of all useful coordination with the local Public Prosecutor's Office and all appropriate institutional cooperation at territorial level with the Prefecture, the police and other supervisory bodies (INPS, INAIL and ASL). In order to ensure compliance with health and safety regulations and thus contribute to reducing the risk of accidents and preventing occupational deaths, all useful synergies have been activated within the Regional Committees pursuant to Art. 7 of the Consolidated Act No. 81/2008 and the Provincial Committees for the participation of ASL prevention technicians in the activities of the task forces. Finally, contacts were made with the IOM referents of each regional context and with the bodies and associations of the anti-trafficking network in territories involved to ensure timeliness and effectiveness of

any interventions to take charge of and provide protection to victims of severe exploitation identified during the operations.

According to collected data and constantly evolving, during 2020 in 44 weeks task forces took action in Basilicata, Campania, Calabria and Apulia Regions and in L'Aquila, Latina and Florence provinces: 758 inspections were carried out and 4,767 work positions were checked. As a result of the inspections (some of which are still in progress), to date, 1,069 workers have been identified as being involved in labour violations, 421 of whom were employed illegally, 205 potential victims of labour exploitation were identified and 22 perpetrators were reported to judicial authorities.

INL inspection staff activities in the fight against *caporalato* and labour exploitation, despite difficulties due to the epidemiological emergency, have achieved the following results:

- 478 offenders were referred to the judicial authorities, 61 of whom were arrested;
- protection of 1,850 possible victims of the crime of *caporalato* and labour exploitation, 119 of whom are more exposed due to their non-EU citizenship status without a regular residence permit.

In relation to the agricultural sector only:

- 323 offenders were referred to judicial authorities, 43 of whom were arrested;
- identification of 1,104 victims of exploitation, including 55 without a regular residence permit.

The percentage of workers who are victims of labour exploitation in relation to the total number of irregular workers in the primary sector was by far the highest at 18.6%.

On the other hand, taking as a reference the parameter of the number of irregular inspections defined in the year by the INL staff, in agriculture, an average of 37 exploited workers were found for every 100 inspected companies against which irregularities were contested.

In 2021, in light of the significant results achieved the previous year also thanks to the extraordinary task forces of the two projects mentioned above, INL has further strengthened such inspection action on the territory through the scheduling of about 150 weeks of task force, with a commitment more than tripled compared to the 44 weeks of activities carried out in 2020. In addition, given the success of these experiences, on 11 March 2021 the INL and IOM signed a memorandum of understanding. Lasting two years, the memorandum is aimed at structuring the collaboration between the INL and IOM and extending multi-agency interventions to the whole national territory. It also takes into account the indications and objectives of the Three-Year Plan.

On the basis of the lessons learnt, specific guidelines for the personnel employed in the surveillance operations on the territory are being developed within the Working Group coordinated by INL.

The spread of mechanisms of productive decentralization and the related frequent dissociation between the ownership of the employment contract and the use of the concerned service, as clarified in the 2021 INL programming document, call for intensifying the action of control on the correct use of administrative tools, contracts and secondments, network contracts. Biased use of these institutions - often in a multi-localized dimension, when not international (e.g. the transnational posting or the establishment of supply agencies in foreign countries) and with numerous corporate realities impeding an overview of irregularities - leads to compromise about working conditions and safety of the staff employed, as well as allowing significant evasion of resources due to the Treasury and social security system and, consequently, forms of social dumping and unfair competition between companies.

In this regard it should be noted that in the management of particularly complex transnational cases, the use of the IMI (Internal Market Information System) platform of the European Commission - which facilitates cooperation between inspection authorities

of the EU Member States - is of considerable help. At the same time, the support, also financial, offered by the services of the European Labour Authority, may be useful to promote and ensure the effective organization of coordinated and joint inspections with inspection authorities of other Member States involved in individual cases.

### **Smuggling of migrants and trafficking in human beings**

The National Plan of Action against Trafficking and Serious Exploitation of Human Beings 2016-2018, implementing Directive (EU) 2011/36, is aimed at defining measures and intervention strategies for preventing and combating the phenomenon, as well as actions aimed at raising awareness, social prevention, emersion and social integration of victims.

The Plan was articulated according to the following five key priorities: (a) identify, protect and assist trafficking victims; (b) intensify prevention of human trafficking; (c) strengthen prosecution of traffickers; (d) improve policy coordination and coherence among key stakeholders; and (e) increase knowledge of emerging issues related to all forms of human trafficking and provide an effective response.

Given the complexity and multi-sectoral nature of the interventions, the Plan has provided for the establishment of a political-institutional Steering Committee, responsible for ensuring a multidisciplinary and integrated approach between institutional and private/social actors. It is flanked by a Technical Committee, composed of representatives of central and local government, law enforcement agencies, trade unions and third sector entities involved in the fight against human trafficking.

Moreover, the Department for Equal Opportunities at the Presidency of the Council of Ministers is responsible for the data collection system SIRIT (*Sistema Informatizzato per la raccolta di informazioni sulla tratta*), managed and updated by the Veneto Region within the framework of the Agreement for the management of the service inherent in the "Anti-trafficking toll-free number".

Given the persistence of the Covid-19 health emergency, the Department for Equal Opportunities introduced proper changes for public and private operators in charge of anti-trafficking projects. Taking into account the dynamics of trafficking in relation to confinement measures, the Department ensured the ongoing implementation of projects and by an ad hoc provision of 28 May 2020 established their extension until 31 December 2020, with a 7-months paid allowance worth over € 11 million. This approach was reiterated in order to further extend the anti-trafficking projects until 30 June 2021, while providing additional funding of approximately € 10 million. In 2021 the Department for Equal Opportunities has prepared a new call (Call No. 4/2021): it takes into account the changes some services have provided during the pandemic, but it will also be structured in such a way to respond to needs of operators.

In 2020, the process aimed at drawing up the new Plan was started; to this end, both the Steering Committee and the Technical Committee were reconvened, within which 4 working tables were identified according to the four key directions prevention, prosecution, protection, partnership and cooperation. The opportunity to set up an ad hoc working group involving all the competent Administrations with the aim of strengthening the collaboration for data collection was shared. In particular, the new Plan will be based on the following key priorities: (a) improve the reliability and availability of data on trafficking, as a precondition for adequate monitoring of the phenomenon and better policy-making; (b) intensify actions to address trafficking for sexual exploitation, forced marriages, begging, forced crime, organ trafficking, sale of infants, all forms of labour exploitation; (c) address trafficking in the new context of the migration crisis (in fact, many victims of trafficking are involved in asylum application systems); (d) intensify the training of professionals who, in various capacities, have contact with victims, also in relation to the evolution of traffickers' operational methods; (e) combat impunity for those who knowingly use trafficked persons; (f) strengthen efforts to prevent child trafficking



for multiple exploitation purposes; (g) take further measures to improve the identification of trafficked persons; (h) facilitate and ensure access to compensation for trafficked persons; (i) continue to take measures to ensure that the return of trafficked persons is carried out with respect for their rights, safety and dignity and, with regard to children, in full compliance with the principle of the best interests of the child; (l) enhance the efficiency and effectiveness of investigation and prosecution activities.

In the field of labour and social legislation, in the implementation of priorities of intervention provided in planning documents for surveillance activity, extraordinary inspection campaigns were launched to prevent and counteract the illegal phenomena of greatest social alarm. These include *caporalato*, and the exploitation of foreign citizens and their reduction to slavery through controls over production sectors and geographical areas most at risk, in close collaboration with enforcement law officers (*Carabinieri*, ASL, *Guardia di Finanza*, State Police).

Although the prevention of contemporary forms of slavery and the protection of victims cannot disregard the fight against illegal phenomena and the restoration of legality, the most demanding challenge concerns the direct involvement of workers. This is especially in regard to those most exposed to the risk of abuse and oppression: they should be involved in training courses to know their fundamental rights, for a greater awareness of defense tools provided and encourage a relationship of trust with the institutions. It should also be noted that, if during supervisory activities the presence of illegally employed irregular foreign workers is ascertained, the inspection staff is required to fill out and deliver a form to inform the foreign worker of his/her right to unpaid wages and insurance and social security contributions and how to enforce this right, as well as to sanction and take restrictive measures against involved employers.

### **International development cooperation**

For Italy international development cooperation is "an integral and qualifying part of foreign policy", as provided by Law No. 125/14. It contributes to the promotion of peace and justice and aims to foster solidarity and equal relations between peoples based on the principles of interdependence and partnership in respect of human rights. Political responsibility for development cooperation rests with the Minister of Foreign Affairs and International Cooperation, which establishes its guidelines and ensures the unity and coordination of all national cooperation initiatives.

The Italian Agency for Development Cooperation, under the direction and supervision of the Ministry of Foreign Affairs of International Cooperation, has the task of implementing cooperation policies. The coherence of national policies is ensured through the Inter-ministerial Committee on Development Cooperation (CICS), chaired by the President of the Council of Ministers and composed of representatives of the main Ministries. Law No. 125/14 also provided for the establishment of a National Council for Development Cooperation, whose members include the main public and private actors, civil society organizations and other nonprofit and for-profit entities operating in the field of international development cooperation.

Finally, for a targeted sectoral intervention concerning vulnerable categories, it is important to enhance wider knowledge in the business world about some guidelines adopted in this field: the Guidelines on Childhood and Adolescence, recently revised, the Cooperation Guidelines on Gender Equality and the Empowerment of Women, Girls and Children (2020-2024) and the Guidelines on Disability and Social Inclusion in Cooperation Interventions (2018); the latter one has established relevant targets: increasing the awareness of companies to improve the employment of persons with disabilities; fostering employment through training activities using new information technologies.

## **Vulnerable groups: persons with disabilities**

Within the Italian legal system, Law No. 68/1999 is the main national legislation aimed at promoting the insertion and labour integration of persons with disabilities into the labour sector through supporting services for targeted placement.

For data collection and monitoring, pursuant to Art. 21 of the aforementioned Law, the Minister of Labour and Social Policies submits to the Parliament every two years a report on the state of implementation of Law No. 68/1999, based on regional data. In fact, Regions and Autonomous Provinces are entrusted with the operational management of services for the integration of persons with disabilities, while the coordination of management is charged by the National Agency for Active Labour Policies (ANPAL).

In the 9<sup>th</sup> Report to Parliament on the state of implementation of Law No. 68/1999, covering the three-year period 2016-2018 and carried out in collaboration with the National Institute for the Analysis of Public Policies (INAPP), data relating to the performance of the labour market of persons with disabilities are provided. The Report shows an employment growth throughout the national territory, accompanied by still diffused infrastructural gaps, but governance systems able to achieve good results when approaching the problem through models of integration of services and financial resources.

The Report makes use of data formally shared by the Regions and referred to their own territorial areas, identified at the provincial level. On one hand, this guarantees proper information by the competent administrations, whilst, on the other hand, it can constitute a critical element if the failure to communicate information compromises correct dimensioning on a national basis.

With regard to the results of the survey on the three-year period 2016-2018: persons with disabilities enrolled in targeted placement list amounted to 733,708 in 2018. 94% of the members are persons with disabilities and more than 60% are in the South and in the Islands.

Considering 2018 as the main reference, the employment condition of persons enrolled in targeted placement is prevalently unemployment: over half are in a condition of immediate availability to carry out work activities and to participate in active policy measures of work, agreed with the competent service. The introduction of the personalized service agreement provided for by Art. 20 of Legislative Decree No. 150/2015 has been fully implemented over the three-year period: since 2016 the stipulation activities have increased and in 2018 all the administrations adapted to this standard. Registered foreign persons are more than 150,000 units for each of the three years, representing about a fifth of the total number declared. Further data concerns the concentration of educational qualifications on the medium-low level. More than 50% of persons enrolled completed their compulsory education and get at most the middle school and/or professional qualification.

Persons with disabilities placed in the labour market with public and private employers reported in 2016 were 28,412; they became 34,613 in 2017 and 39,229 in 2018. The private sector absorbs 96% of the total in the full three-year period. These numbers testify the engagement of the system, also considering the simplification of processes introduced: Legislative Decree No. 151/2015, which requires private employers, who employ 15 to 35 employees, to hire a worker with disability. This obligation came into force in 2018, while previously it arose only in the case of new hires.

According to Decree-Law No. 86 of 12 July 2018 (Art. 3, co. 1, letter d)), the Presidency of the Council of Ministers has been assigned the functions of guidance and coordination in the field of policies in favour of persons with disabilities, policies aimed at guaranteeing the protection and promotion of the rights of persons with disabilities and promoting their participation and social inclusion, as well as their autonomy, also making use of the

National Observatory on the condition of persons with disabilities, referred to in Law No. 18 of 3 March 2009.

Among the tasks of the National Observatory the preparation of the two-year Action Programme for the promotion of the rights and integration of persons with disabilities is foreseen.

On July 10, 2019, the "Document of Proposals for the Activities of the National Observatory on the Condition of Persons with Disabilities" was published, prepared by the Scientific Technical Committee and divided into 9 thematic areas and 13 working groups.

The main objectives are:

- establish an effective coordination mechanism among all ministries and public agencies that allows for the application of the United Nations Convention on the Rights of Persons with Disabilities in all areas of governmental competence;
- select a number of actions, within the second two-year action programme for the promotion of the rights and integration of people with disabilities, to be reasonably achievable during the period of the Centre's activity;
- coordinate the implementation of the second two-year programme, the Concluding Observations of the United Nations Committee on the Rights of Persons with Disabilities and the contents of the Disability Code, on the basis of commitment contained in the PNRR, by initiating a number of actions for the effective implementation of the aforementioned United Nations Convention.

About relevant government policies to improve the participation of persons with disabilities in the workforce, it should be noted that Legislative Decree No. 151/2015 introduced some provisions aimed at rationalizing and revising the procedures and fulfilments of targeted insertion of persons referred to Law No. 68/1999 and other subjects entitled to compulsory placement, in order to promote social inclusion, placing and integration into the labour market and taking care of skills of persons with disabilities. In particular, the adoption of specific guidelines on the targeted placement of persons with disabilities envisages to promote:

- an integrated network among social, health, educational and training services on the territory, as well as with INAIL for the accompaniment and support of the person with disabilities taken in charge;
- territorial agreements with trade unions of workers and employers that are more representative on a national level, social cooperatives referred to in Law No. 381/1991, associations of persons with disabilities and their families, as well as with other third sector organizations;
- bio-psycho-social assessment of the condition of disability;
- job analysis and reasonable accommodation;
- the creation of the role of the responsible for job placement;
- good practices of job inclusion.

The drafting process of the aforementioned guidelines the document was triggered in the broader scenario of reform of interventions in the field of targeted job placement and active labour policies, complemented by the establishment of the National Agency for Active Labour Policies (ANPAL) and the reorganization of Employment Centers.

In the reform context, a decisive relevance was attributed to the systematic collection of data available in targeted placement, as well as data relating to good practices of work inclusion of persons with disabilities, aids and adaptations on workplaces. In this regard Legislative Decree No. 151/2015, in order to rationalize the collection of data, to simplify the obligations, as well as to improve the monitoring and evaluation of the interventions, has envisaged the creation of a specific section called "Targeted placement database" within the active and passive policies database, to collect information on public and private employers subject to the employment obligation.

The process for the definition of the database required the involvement of various stakeholders: Regions, National Institute of Social Security (INPS), National Institute for Insurance against accidents at work (INAIL), National Agency for Active Labour Policies (ANPAL), both for a legal and technical point of view in the preparation of ITC applications.

Among the Italian national policies aimed at promoting the employment of persons with more severe disabilities, there are incentives for employers who hire workers with disabilities, financed through the Fund for the right to work of the persons with disabilities, established by Art. 13, paragraph 4, of Law No. 68/1999, at the Ministry of Labour. Employers are granted an incentive in relation to taxable gross salary for social security purposes, which varies according to the degree and type of working capacity reduction of the hired person. The duration of the contributory benefit also varies according to the characteristics of the hired worker and the type of employment relationship.

The legislator intended to guarantee the employer to benefit automatically and immediately from the incentive provided for by the law. According to new provisions, the incentive paid is correlated to monthly contribution taxable gross remuneration for social security purposes, through a specific electronic procedure implemented by the National Social Security Institute (INPS). The resources of the Fund for the employment of persons with disabilities are transferred to the above mentioned Institute, by a specific decree of the Minister of Labour and Social Policies in agreement with the Minister for the Family and Disabilities and with the Minister of Economy and Finance. The Decree is annually updated in order to allocate the resources that flow to the Fund for the payment of the exemption contributions referred to in Art. 5, paragraph 3-bis, of Law No. 68/1999.

In particular, for employers who hire persons with disabilities for an indefinite employment contract there are incentives for 36 months for the recruitment of workers with a reduction in working capacity from 67% (the incentive is equal to 35% of the gross monthly salary); the incentive rises to 70% for the hiring of persons with a reduction in working capacity of more than 79%. The incentives are also provided (in the amount of 70% of the gross monthly salary) for a longer period of time (60 months), for the recruitment of workers with intellectual and mental disabilities. These workers are also encouraged to have fixed-term hiring of not less than twelve months.

Legislative Decree No. 151/2015 (Art. 11), amending Art. 14 of Law No. 68/1999, provides for "contributions to the regional funds for the right to work of persons with disabilities" for the partial lump-sum reimbursement of the expenses necessary for the adoption of reasonable accommodation in favour of workers with a reduction of working capacity higher than 50%, including the provision of teleworking technologies or the removal of architectural barriers that limit in any way the employment integration of the person with disabilities, as well as to establish the person responsible for job placement in the workplace. Regional funds for the right to work of persons with disabilities are set up by Regions to finance regional programs for job placement and related services. The amounts deriving from the imposition of administrative sanctions and unpaid contributions paid by employers, as well as contributions from foundations, private entities and interested parties are allocated into the above mentioned Funds.

Measures to incorporate the principle of equal pay for work of equal value into the Labour Code are stated in Art. 10, paragraph 1, of Law n. 68/1999, providing that workers with disabilities are subject to the economic and regulatory treatment provided for by the laws and collective agreements and the employer cannot ask the worker with disabilities a service that is not compatible with his or her disabilities (Art. 10, paragraph 2).

With reference to incentives provided for the persons with disabilities, it's worth bearing in mind that Art. 1, paragraph 166, of Law No. 190/2014 attributes to the National Institute Insurance against Accident at Work (INAIL) the competences regarding the reinsertion and labour integration of persons with work disabilities, completing the

protection model guaranteed by the Institute. The aforementioned targets are realized through customized projects aimed at preserving the workplace or looking for new employment to be implemented through professional retraining interventions, as well as interventions for overcoming architectural barriers in the workplace and for workstations. Pursuant to Art. 18, paragraph 6, of Law No. 104, Regions can provide their own laws to regulate the facilities for individual persons with disabilities for starting and carrying out autonomous work activities. Art. 12 of Law No. 68/1999 provides for agreements for temporary work placement with the aim of training persons with disabilities in social cooperatives (referred to in Art. 1, paragraph 1, letter b), of Law No. 381/1991 and subsequent amendments), social companies (as for Legislative Decree n. 155 of 24 March 2006), persons with disabilities freelancers, to whom employers undertake to entrust work orders.

## **Gender dimension**

The so-called glass ceiling, i.e. the set of barriers that women meet in their career to reach top positions, is still a widespread phenomenon. However, the representation of women in positions of power and in management bodies of a political, economic and social nature has improved significantly, especially thanks to the results in terms of female participation on boards of directors. As of today, in fact, it is higher than the European average thanks mainly to the implementation of Law No. 120/2011 (the so-called Golfo-Mosca Law). The share of women on the boards of directors of listed companies is close to 40% (38.8% in 2020), almost four times than recorded before for the implementation of the Law (11.6% in 2012). In public companies, women hold one-third of the positions (33.1% in 2020) in management and control bodies, almost doubling the number recorded in 2014 (17.5%). However, there is still a significant disparity in companies that are not subject to the law, where participation is only around 18%, compared to the most advanced countries in Europe. However, discrepancies in other top positions remain significant.

The participation of women in top bodies of the public administration is more or less in line with the European average at national level, with a presence of women of about 35% in Governments and Parliaments, although it is further behind the more advanced countries such as Sweden, Finland and France, which have achieved parity.

Finally, the representation of women in top management bodies of important bodies in the socio-cultural field, such as research institutes, public radio and television service companies and Olympic committees, is still very low.

In 2018, an inter-institutional Observatory, aimed at monitoring the implementation of Law No. 120/2011 was established in the framework of a 5-year Memorandum of Understanding signed by the Department for Equal Opportunities of the Presidency of the Council of Ministers, CONSOB and the Italian National Bank. Acting as a supervisory body on female participation, the Department for Equal Opportunities initiated 391 administrative proceedings against companies whose composition of the Boards of Directors /of Statutory Auditors did not respect gender balance.

Overall, these measures have proven to be effective tools to promote the presence of women in top positions and have shown a positive correlation between female empowerment and improved corporate performance. As such, Law No. 120/2011 was renewed in 2019 within the Budget Law 2020 towards the target of 40% percentage of women in corporate boards.

Regarding gender leadership issues, the Task Force "Women for a New Renaissance", established by the Ministry of Equal Opportunities and Family in 2020 to address the impact of Covid-19 on gender issues has produced a Final Report, based on quantitative data and qualitative scientific information on the impact of the pandemic in different sectors. Among the Task Force's multiple proposals there are those ones targeted to:

- increase the proportion of women in all areas of employment;

- overcoming barriers to advancement in career paths, particularly in the fastest growing fields (STEM, computer science, cloud computing, data and artificial intelligence);
- countering gender stereotypes that prevent women from achieving leadership responsibilities, in order to activate new energies and opportunities for all.

The Report envisages that these proposals for intervention will be integrated into the programming of the Department for Equal Opportunities.

The National Recovery and Resilience Plan (PNRR) also addresses gender inequalities in a cross-cutting manner. In particular, the PNRR places three cross-cutting priorities alongside the three strategic axes shared at European level (digitalization and innovation, ecological transition and social inclusion). This includes the promotion of gender equality, with the aim of investing at least € 7 billion by 2026, to be used to ensure a level playing field in the labour market, close the gender pay gap and increase the number of women in positions of responsibility, ultimately including the presence of women in the political sphere.

It is necessary to underline that the PNRR is strongly related to the priorities of the National Strategy for Gender Equality 2021-2026, recently adopted by our Government and elaborated by the Department for Equal Opportunities in coherence with the European Strategy.

The National Strategy presents five priorities (work, income, skills, time, power) and aims, among other things, to climb five points by 2026 in the ranking of the Gender Equality Index of the European Institute for Gender Equality (Italy is currently in 14th place, with a score of 63.5 points out of 100, 4.4 points lower than the EU average).

The PNRR activities consist of a programme aimed both at encouraging women's participation in the labour market and in career advancement and at correcting the imbalances that hinder equal opportunities from school age onwards, in line with the second principle of the European pillar of social rights.

In order not to put women in the position of having to choose between motherhood and career, the Strategy envisages measures to strengthen welfare, also to allow for a more equitable distribution of commitments, related to parenthood, that are not solely economic.

Furthermore the PNRR envisages a specific investment (about € 400 million) to support female entrepreneurship. This improves the current system of support, incentivizing the implementation of innovative entrepreneurial projects for companies with prevalent female participation, providing for mentoring activities, technical-managerial support, work-life balance measures, as well as targeted communication actions, particularly in schools and universities, for the creation of a favourable and emulative cultural climate for female entrepreneurship.

The PNRR also provides for the introduction of a national certification system for gender equality that involves the Department for Equal Opportunities. This measure intends to accompany companies in reducing gaps in all of the most critical areas for the professional growth of women and to strengthen wage transparency by guaranteeing companies that will adopt strategies and measures aimed at promoting gender equality within their organizations, (e.g. promotion of women in decision-making positions, introduction of welfare measures for work-life balance, measures to facilitate the return/entry to work of women after maternity leave). For these reasons they should obtain a high index in the certification of gender equality, so to benefit from any tax breaks adopted by the Government.

The PNRR includes specific investments in STEM skills as well.

In this regard, the implementation of a programme managed by the Ministry of Education, in collaboration with the Department for Equal Opportunities, has been envisaged for the strengthening of STEM, digital skills and orientation activities for girls and young women in order to improve their job prospects and allow Italy to converge with European averages.

Finally the issue of the enhancement of women's talent and leadership, the affirmation of the protection of their rights and the fight against gender-based violence was addressed for the first time in the G20 context at an event organized by the Italian Presidency on women's empowerment chaired by the Italian Minister for Equal Opportunities and the Family.

The Conference was attended by Ministers responsible for equal opportunities of the G20 countries and host countries, the European Commissioner for Equality and representatives of international organizations (UN Women, UNESCO, ILO, OECD), the world of business, academia and civil society.

Participants agreed that achieving full equality requires a global agenda, addressing all different aspects of women's lives with cross-cutting policies, calling for a high degree of multilateral coordination to be promoted by effective agreements at both the national and international levels.

The common will of the participants was to fully support future G20 Empower activities as well as the promotion of initiatives that work on gender equality also in collaboration with the private sector.

Indonesia's 2022 G20 Presidency will give full support to the Italian initiative and provide continuity to the G20 global meeting on women's empowerment.

Law No. 4 of 15 January 2021, ratifying and implementing the International Labour Organization Convention n. 190 on the elimination of violence and harassment in the workplace, represents an important evolution in the field of gender protection in the business context. Legislative Decree No. 81/08 and related Decree No. 106/09 had adequately covered safety issues in the workplace, but had not included the issue of harassment, which in fact is limited to occupational safety measures or to internal policies and voluntary practices of companies. In addition, to clarifying the scope of their application, measure 4/2021 provides for the adoption of an inclusive, integrated and gender-centred approach: the private sector, like the public sector, is therefore adopting concrete procedures and tools with the goal of combating violence and protecting employees through guidance and training on prevention.

With regard to gender discrimination in the workplace, territorial offices of the National Labour Inspectorate (INL), performing their supervisory activity, also carry out investigations in relation to equal opportunity regulations and the prohibition of gender discrimination in the workplace, including in terms of remuneration. On gender issues related to equality and equal opportunities, they also take into consideration the reports submitted by the Councillors and Equality Councillors as part of the institutional collaboration with the Territorial Labour Institutes, as provided for by Art. 15 of Legislative Decree No. 198/2006. In this regard, in 2018, a new memorandum of understanding was signed between the INL and the National Council of Equality: it was aimed at strengthening the collaboration between the Inspection Agency and the National Network of Councilors/Equality Directors, with particular regard to physical and economic protection of pregnant women and working mothers. As such, in 2019, inspection staff intervened in favour of 466 female workers in the tertiary sector, traditionally characterized by a higher rate of female employment as well as a higher rate of this type of violation (i.e. 81%, compared to 16% in industry, 2% in construction and 1% in agriculture). Moreover, the inspection staff is engaged in prevention activities (pursuant to Art. 8 of Legislative Decree No. 124/2004) aimed at promoting the correct application of the regulations in force in the labour market (i.e. with private companies, employers' and trade union organizations and trade associations).

With reference to the fight against discrimination in the field of equal opportunities and the phenomenon of the so-called "blank resignation", the role of protection and monitoring carried out by INL in relation to resignations and consensual terminations of

working mothers and working fathers with children up to 3 years of age should also be recalled.

In fact, the Territorial Offices manage (pursuant to Art. 55, paragraph 4, of Legislative Decree No. 151/2001) the validation procedure of resignations and consensual terminations of workers during the first 3 years of their children's life, in order to ensure a greater protection of these subjects through an interview aimed at verifying the genuineness of the consent to the termination of the employment relationship. Data concerning these measures are monitored annually, through the use of a special ministerial computer application used by IITLL staff to issue validations. Information that emerges from this monitoring is provided in the Annual report on the validation of resignations and consensual terminations of working mothers and working fathers, prepared by INL with the contribution of the Office of the National Councillor for Equality and available in the appropriate section of the Agency's website.

Paragraph 9 of Art. 47 of Decree-Law No. 77 of 31 May 2021, converted into Law No. 108 of 29 July 2021, provided for the obligation to publish on the buyer's profile, in the "Transparent Administration" section (pursuant to Art. 29 of Legislative Decree No. 50 of 18 April 2016) the reports on the personnel situation (pursuant to Art. 46 of Legislative Decree No. 198 of 11 April 2006) and gender reports on the situation of male and female staff in each of the professions and in relation to the status of recruitment, training, professional promotion, levels, changes in category or qualification, other mobility phenomena, the intervention of the *Cassa integrazione guadagni* (wages guarantee fund), redundancies, early retirements and retirements, and remuneration actually paid. The provision also provides for an obligation to communicate such data to the Presidency of the Council of Ministers or to the Ministers or delegated authorities for equal opportunities and the family and for youth policies and universal civil service (in July 2021 this provision was included by ANAC among those relevant for the purposes of updating the National Anti-Corruption Plan).

#### **PLANNED MEASURES**

1. Strengthen the role of the so-called legality rating with the aim of promoting respect for human rights in all economic activities.
2. Update the implementation assessment information of Legislative Decree No. 231/2001 in order to evaluate its extension in terms of objectives and application of the administrative liability of legal persons, and to pursue the following objectives in this area:
  - efficient asset management and economic qualification of assets by treating them as a source of wealth for the community;
  - the fight against the crisis and the rate of unemployment suffered by economic sectors most affected by measures to counter the epidemic emergency (catering and the gastronomic sector; tourism/hotel sector; small businesses/individuals in the craft and retail sectors of *Made in Italy*);
  - the prevention of the social fallout related to the confiscation of business and, in particular, the disaffection of the citizenry towards criminal justice operators;
  - the promotion of a culture of sustainability in its dimensions (economic-social-environmental), through the careful and accompanied reuse of the confiscated business assets;
  - the implementation of inclusion policies that enhance the value of the human being coming from the most socially fragile contexts, with particular reference to the contribution offered by female population, through its full involvement in management and in social recovery of the assets in question;
  - the assistance to companies towards a successful restructuring that makes them fully autonomous, capable of being self-sustaining and supportive for their own community, thanks to the sustenance provided by virtuous operators - public and private;



- the assistance to young people towards self-entrepreneurship, with the aim of forming generations with a critical spirit capable of grasping the needs of their own context and of approaching problems posed by the current economic model in a constructive manner, encouraging a sustainable transition and, above all, making them learn and, by learning, do.

3. Strengthen the role of competent bodies and inspection activities in combating and controlling the emergence of irregular work and *caporalato*, pursuant to Art. 103 of the "Relaunch" Decree-Law No. 34 of 19 May 2020 ("Emergence of labour relations").

4. Ensure the full implementation of the Three-Year Plan to Combat Labor Exploitation in Agriculture and *Caporalato* 2020-2022.

5. Develop new coordination measures in the activities of prevention and control of the phenomenon of irregular work and to encourage the operation of the "Network of quality agricultural work";

6. Ensure full implementation of the National Action Plan against Trafficking and Serious Exploitation of Human Beings;

7. Fully implement the provisions contained in the new legislation on Development Cooperation, with particular *focus* on the relationship between for-profit and not-for-profit actors and promote the widest knowledge among companies of the Guidelines on Childhood and Adolescence, the Cooperation Guidelines on Gender Equality and the Empowerment of Women, Girls and Children (2020-2024) and the Guidelines on Disability and Social Inclusion in Cooperation Interventions.

8. Continue to implement the provisions contained in the Second Disability Action Programme, with particular reference to line 5 "Labour and Employment" and to provisions concerning the definition of support measures and a system of incentives for first and second level bargaining over flexibility, part-time work and work-life balance for persons with disabilities or serious and chronic progressive illnesses or caregivers of persons with serious disabilities.

9. Promote the employment inclusion of persons with disabilities with attention to persons with disabilities with more severe disabling conditions.

10. Consolidate respect for the fundamental rights of people with disabilities in line with international conventional standards in relation to access to and quality of hospital care through the promotion and dissemination of the "Charter of Rights of People with Disabilities in Hospital" created by the Coop. Sociale Onlus Spes contra Spem in 2010.

11. Promote in a strengthened way women's leadership and women's empowerment in the business sector, through an effective implementation of Law No. 120/2011, and to strengthen measures to prevent gender discrimination in the workplace - depending on the better implementation of Law No. 4 of 15 January 2021 of ratification of the International Labour Organization Convention No. 190 on the Elimination of Violence and Harassment in the Workplace. To this complex end, further actions will be promoted to:

i) certify equality for companies through the definition of a simple, fast, streamlined and objective tool that measures the situation of staff according to different factors (recruitment, remuneration, career development), capable of stimulating change and having an impact on the entire productive and social system;

ii) assess the gender impact (*ex-ante* and *ex-post*) in all business processes, in particular with regard to corporate restructuring processes (relevant for safeguarding gender balance in the post-Covid phase);

(iii) to promote transparency measures provided for in current legislation on compliance with gender equality rules by companies and public bodies.

12. Consolidate AGCOM's monitoring action on gender issues within the information sector and in particular the press profession.

13. Consolidate the commitment made at the national level with respect to international standards, in particular the Protocol relating to ILO Convention on Forced Labour of 2014

and Recommendation CM/Rec(2016)3 (monitoring) adopted by the Committee of Ministers of the Council of Europe with reference to business and human rights.

GP. 3(b) Ensure that other laws and policies governing the creation and ongoing operation of business enterprises, such as corporate law, do not constrain but enable business respect for human rights.

Italy has domestically transposed Directive (EU) 2014/95 on non-financial reporting through Legislative Decree No. 254/2016 and, in this context, an important inspection and verification activity by CONSOB of non-financial reporting is being conducted. Its ultimate aim is to verify adequate and transparent information along the supply chain, and also on processes of Due Diligence and management of the risk of violation of human and labour rights along the supply chain.

Equally relevant is the recent legislative reform on class actions with respect to entrepreneurial plaintiffs, which took place with Law No. 31 of 12 April 2019, entered into force on 19 May 2021. In its executive dimension, this measure provides for the possibility for the competent court to impose on the company concerned the obligation to disclose relevant documents in case claimants demonstrate that such documentation was necessary for the decision on the case.

#### **PLANNED MEASURES**

14. Update the information on the current legislative framework to combat illegal work and labour exploitation in the agricultural, construction, manufacturing and service sectors;

15. Conduct a systematic review of the legislative system in accordance with international standards on Due Diligence of companies;

16. Further promote an effective implementation of Legislative Decree No. 254/2016 implementing Directive (EU) 2014/95 on the disclosure of non-financial and diversity information by large companies and groups of companies, including through a benchmarking exercise carried out on a sample of companies and aimed at analyzing the effective inclusion of the human rights dimension in non-financial reports published by companies and supervised by CONSOB, including in relation to diversity and gender.

GP. 3(c) Provide effective guidance to business enterprises on how to respect human rights throughout their operations; (d) Encourage, and where appropriate require, business enterprises to communicate how they address their human rights impacts.

Italy reaffirms its ongoing commitment to strengthen respect for human rights in the business world through activities to promote and improve responsible business conduct in the following areas:

#### **Environment**

##### **CIRCULAR ECONOMY; NATIONAL WASTE MANAGEMENT PROGRAMME; NATIONAL WASTE PRODUCTION PREVENTION PROGRAMME**

Italy, with regard to the Initiative undertaken in December 2019 by the new EU Commission for a Green Deal that aims by 2050 to a climate-neutral Europe, has established a fund for public investment (€ 4.24 billion for years from 2020 to 2023). It is intended to support innovative investment projects and programmes with a high level of environmental sustainability, which will be used to support investments in relation to

circular economy, as well as in de-carbonisation, urban regeneration, sustainable tourism, adaptation and mitigation of risks from climate change.

In this perspective, the redefinition of the 'Industry 4.0 Plan' is also fundamental, with greater attention to environmental sustainability for encouraging green investments by companies in circular economy.

In the same perspective, further fiscal measures have been foreseen, including incentives for packaging reuse and recycling, purchase of products, through efficiency of production processes and greater awareness, responsibility and collaboration by consumers both in purchase, use and conservation of products.

The European regulatory package on circular economy, already implemented by Italy by four separate legislative decrees, establishes a concrete action programme based on an economic model based on production activities and consumption into the cycle to reduce environmental.

The circular approach redefines efficient management of inputs and outputs, towards the definition of closed and regenerative cycles with an impact on economic, natural and social capital.

In the context of the European Action Plan for the Circular Economy, the Government, through dialogue with local authorities and constant consultation of public and private operators and trade associations - intends to develop technical and administrative tools to ensure the support and development of coherent supply chains according to an approach of economic circularity.

The Ministry for Ecological Transition is in charge for monitoring implementation of legislative decrees enforcing the 'Circular Economy Package' and preparation of corrective decrees; National Action Plan for the environmental sustainability of consumption in the Public Administration will be defined to maximize green public procurement; further tools for the development of 'circular' supply chains will be completed, through the adoption of Minimum Environmental Criteria for new production sectors; decrees concerning waste management will be drafted; the National Waste Prevention Programme will be updated; the waste traceability register will be implemented.

In the area of waste, the essential core of a circular economy, important measures have already been adopted and others are planned, according to a precise timetable already outlined.

On September 23, 2020, Legislative Decree No. 116, implementing Directive (EU) 2018/851, included in the so-called "circular economy package", came into force. This Decree introduced, among other things, Art. 198-bis of the Environmental Code, which provides for the adoption of the "**National Programme for Waste Management**": in this framework the Ministry for Ecological Transition, in collaboration with ISPRA, will set macro-objectives, criteria and strategic guidelines to be endorsed by Regions and Autonomous Provinces in the preparation of the Regional Waste Management Plans.

The Programme intends to pursue, also with the involvement of stakeholders, a greater synergy in the country to address the lack of plants and a remedy to the so-called NIMBY syndrome ("not in my backyard") that often represents a brake on the achievement of circular economy targets.

Another tool, in transposition of EU Directives 851/2018 and 852/2018, is the **National Waste Production Prevention Programme** (PNPR), provided by Art. 180 of the Environment Code and demanding from Regions – according to Art. 199, paragraph 3, lett. R) - the adoption of Waste Production Prevention Programmes (PRPRs).

Finally, in implementation of the EU Directives for the establishment of a national register as a key tool for circular economy, the aforementioned Ministry has started preliminary experimentation, creating a prototype of the National Waste e-Register for waste

traceability, to check its functionality and usability and in particular the interoperability with the management systems currently used by companies.

In 2021 R.E.N.T.R.I. webpage was published ([www.rentri.it](http://www.rentri.it)), providing for a proper section reserved for the Experimental Laboratory for Functional Prototyping. Since then companies were able to test it. The R.E.N.T.R.I. timetable foresees user accreditation, validation of the authorization through application access to information systems, contextual registers with interoperability on the REN to communicate data on movements noted in the register to the REN.

#### **SUSTAINABLE DEVELOPMENT (NATIONAL STRATEGY ON SUSTAINABLE DEVELOPMENT - SNSvS; ENVIRONMENTAL MANAGEMENT SYSTEMS AND CERTIFICATION; "MADE GREEN IN ITALY"; MINIMUM ENVIRONMENTAL CRITERIA - CAM; CLIMATE CHANGE - PNRR)**

Two key initiatives are planned to be concluded in 2021: the triennial review process of the **SNSvS** and the compilation of the **National Action Plan on Policy Coherence for Sustainable Development (PCSD)**. Both these initiatives entail large participation of civil society, scientific institutions and local actors.

In this context, collaboration agreements have been signed with Regions, the Autonomous Province of Trento and 14 metropolitan cities for the definition and implementation of Regional and Provincial Strategies and Metropolitan Agendas for Sustainable Development. These are conceived as tools for coordinating the implementation of the SDSvS and the 2030 Agenda at the local level.

The monitoring of Italy's performance of the SNSvS (People, Planet, Prosperity, Peace, Partnership and Vectors of Sustainability) will also continue. Also the National Forum for Sustainable Development is preserved, involving 190 organizations (civil society associations, but also businesses, universities, NGOs) that promote actions and policies for of sustainability. Active involvement of young people is also granted: indeed the National Youth Council, AIESEC Italy and Youth Network are part of the Forum.

In 2021 the Project "Policy coherence for sustainable development: mainstreaming the SDGs in Italian decision making process" (PCSD Project) has been launched. It is funded by the EU Commission with the aim of facilitating the inclusion of different actors in the review process of the SNSvS and in the definition of a National Action Plan for policy coherence for sustainable development.

Within **environmental management systems** for companies, the recognition of the Ecolabel and related adherence to eco-management and audit (EMAS) is particularly important. The Italian national competent body for applying community schemes is the Committee for the Ecolabel and Ecoaudit, established in 1995 and currently composed of representatives of the Ministries for Ecological Transition, Economic Development, Health and Economy and Finance, with the technical support of ISPRA.

Since 2018 the regulation for the promotion of products with high environmental qualification certified by the "**Made Green in Italy**" (MGI) logo is in force: it is aimed at promoting sustainable models of production and consumption, according to the EU PEF (Product Environmental Footprint) methodology for the determination of environmental footprint of products as defined in EU Commission Recommendation 2013/179/EU.

The purpose of the MGI scheme is to direct the initiatives of the Italian production system towards use of environmental footprint as a lever for the improvement and enhancement of Made in Italy products with good environmental performance (guaranteed by a scientifically reliable system). It aims to facilitate the identification of products by consumers so as to encourage more conscious choices.

It combines environmental sustainability performance of products, throughout their value chain, with Made in Italy, linked to excellent national production system.

It is an institutional certification based on the European PEF methodology, implemented through additional sustainability requirements and more ambitious national environmental quality requirements. In addition, it is the only certification that integrates requirements that ask companies to communicate environmental footprint of products to consumers (ISO14025 type 3 labels), with requirements that allow access to the scheme only for excellent products, better than the average (ISO 14024 type 1 labels).

Considerable opportunities are therefore provided for national producers who intend to make use of this new tool, which straddles the line between environmental policy and corporate marketing. In fact, many sectors have expressed interest in the scheme and are hoping for a new call for CPRs.

Adherence to the scheme involves two steps: the first concerns the drafting of Product Category Rules-RCP (technical documents containing methodological indications for calculating environmental footprint of a given product category) and the second involves actual adherence to the scheme.

Companies conclude the process by receiving a certification by a third party so that they could communicate final results and ensure maximum transparency of the entire process. The "Made Green in Italy" scheme attributes the logo to be attached to products with high environmental qualification and a detailed declaration available through a QR code that provides clear, uniform, complete and transparent information to consumers.

With regard to forthcoming measures, calls for CPRs will be launched periodically as well as calls to support companies wishing to join the MGI scheme.

The Manual for the Use of the MGI Logo according to the Made Green in Italy Regulation and 12 new CPRs have been published in June 2021 for the following sectors/products: Agri-Food Sector: Grana Padano, Provolone Tutela Valpadana, Vinegar, Dry pasta, Fresh pork meat, Fresh beef meat. Industrial sector: Laundry-Industrial laundry services, Carded wool-textile, Wooden packaging manufacture, Steel, Geotextiles and related products, Raw tobacco.

Another relevant policy is the **Environmental Footprint Assessment Programme**, launched by the Ministry for Ecological Transition in 2010 to measure and improve environmental performance of private and public sectors. It provides for products (goods and services) and organizational certification, and in its experimental phase, among environmental indicators, it has favoured the analysis of the carbon footprint. Indeed it is an environmental driver, closely linked to climate change, and has an added value for the competitiveness of Italian businesses on international markets.

Companies that join the programme, after signing a Voluntary Agreement with the Ministry for Ecological Transition, receive a certification by a third party in order to be able to communicate final results in accordance with the communication guidelines of the Programme and guarantee maximum transparency of the whole process. The programme remains operational until the full implementation of the scheme for all production sectors.

In relation to **environmental sustainability in the Public Administration**, a first step in this direction was the "Guide for the integration of social aspects in public procurement", adopted by the aforementioned Ministry by Ministerial Decree of June 6, 2012, as part of the National Action Plan on Green Public Procurement (PANGPP), i.e. through socially responsible public procurement, public authorities can not only promote employment opportunities, decent work and social inclusion, but also aim for more extensive compliance with social standards.

The Guide aims to provide operational guidance on how to take social aspects into account in the definition of public tenders relating to supply, service and works contracts. It considers experiences of integrating social criteria in public procurement developed by different EU countries.

The implementation of Green Public Procurement has also the purpose to develop circular supply chains, through the adoption of **Minimum Environmental Criteria (CAM)** for an increasing number of production sectors.

CAM are currently in place for 18 categories of supplies and procurements.

CAMs relating to the following areas are currently being defined or reviewed:

- Supply of new interior furniture, rental service for interior furniture, repair service for furniture in use, end-of-life management service for used furniture (review)
- Design and construction services for building interventions (review)
- Beverage and food sales services (in-house bars and vending machines) (new)
- Design and works services for new road construction and maintenance (new)
- Supply of road transport vehicles (review)
- Public transport service (new)
- Street furniture (review)
- PC and server (review)
- Cultural events and movie-tv productions (new).

CAM concerning the following areas, to be adopted in 2022 are:

- Energy services for buildings (review);
- Shoes (review).

In addition, Legislative Decree No. 50 of 19 April 2016 in transposing EU Directives 23, 24 and 25/2014, outlines a regulatory framework for social and environmental responsibility in the management of public procurement, including the possibility of introducing criteria relating also to human rights within the contract life cycle (definition of the subject of the contract, criteria for selection of candidates, technical specifications, award criteria and contract performance clauses). The EU Commission has recently published a second edition of the guide for socially sustainable procurement ("Buying Social - A guide to taking account of social considerations in public procurement" - Second edition (2021/C 237/01)), referred to in the previous NAP BHR. It has provided indications to identify a set of clauses that will be included by ANAC in the Standard Notice for e-procurement.

The inclusion of such clauses in the Standard Notice for contracts carried out through e-procurement platforms is a fundamental measure for their adoption by national contracting stations. The obligation to adopt electronic tools for tender procedures is in force since 2018. Moreover a strategic line to improve public procurement involves the professionalization of operators and the progressive centralization of purchases, thus facilitating the proper inclusion of social and ecological elements in procurement since the planning stage.

To this scope a full life-cycle monitoring through the National Database of Public Contracts, managed by ANAC, will be facilitated by the adoption of the new models covered by Regulation (EU) 1780 of 2019, which will be fully operational in October 2023. In collaboration with other administrations concerned for adoption of models and adaptation to national requirements, ANAC will give right emphasis identification processes over social and environmental sustainability clauses in calls for tenders and compliance with them throughout the life cycle of the contract: this approach has already been used at European level to introduce new standard f for data collection and publication on contracts in order to monitor the achievement of the objectives set out in Directive (EU) 2019/1161 of 20 June 2019, on the promotion of clean and energy-efficient road transport vehicles.

#### **CLIMATE CHANGE: "CARBON NEUTRALITY"/"ENERGY NEUTRALITY"**

As per the linkage between human rights and climate change, Italy deploys its action within a framework established and agreed at international and European level.

In this context milestones are the Kyoto Protocol (1997), the Doha Amendment (2012) and the Paris Agreement (2015). In particular, the latter set the long-term goal to contain increase in global average temperature well below 2° Celsius and pursue efforts to limit increase to 1.5°C compared to pre-industrial levels. In this perspective, the Parties that signed the agreement communicated their "Nationally Determined Contribution" (NDC) with the obligation to pursue measures for its implementation.

As part of this international de-carbonisation process, the EU has set its own targets to be achieved by 2020, 2030 and 2050. For 2020, the EU has adopted the so-called "Climate-Energy Package 2020", a set of legislative measures aimed at implementing the following objectives: reduction of greenhouse gas emissions by 20% compared to 1990 levels; reduction of energy consumption by 20% compared to the trend value (business as usual); production of energy from renewable sources equal to 20% of final energy consumption.

In the second step of this process, the EU Council first set a 2030 target of a 40% reduction at European level compared to 1990, while raising the bar for efficiency to 32.5% and for renewables sources to 32%. However, following up on the Commission's Communication on the European Green Deal of December 2019, the EU further changed the target for net domestic reduction of greenhouse gas emissions from -40% to -55% by- 2030 compared to 1990 levels.

Finally, looking at the longer term, again following the Communication on the *Green Deal*, in pursuit of the aims of the Paris Agreement, it has committed to zero "net" greenhouse gas emissions by 2050 to give effect to the ambitious target as first continent with zero emissions.

With regard to Italy and taking into consideration the goals set for 2030, the adequacy of the effort to be put in place for de-carbonisation can only be assessed starting within the framework of the current Integrated National Energy and Climate Plan. This is a planning tool provided for by Regulation (EU) 2018/1999 on the EU Energy Governance adopted after assessment by all stakeholders, both institutional and private, and which represents the country's commitment and contribution for the implementation of the so-called "Climate and Energy Package".

Starting from the measures currently in force, the additional policies necessary to achieve the 'medium-term' targets are outlined.

An important accelerating factor for the strengthening and implementation of the measures identified in the PNIEC is the new **National Recovery and Resilience Plan (PNRR)**, which gives the ecological transition a driving role in the relaunch of the country's system. It assigns an important share of resources also for investments in sustainable mobility, renewable sources and energy efficiency, with a proper reference in mission n. 2 of the PNRR - "Green revolution and ecological transition".

Further expanding the horizon to 2050, Italy has outlined its engagement path towards "climate neutrality" with a National Long-Term Strategy (LTS), also provided for in the aforementioned EU Energy Governance Regulation (EU) 2018/1999 (<https://www.minambiente.it/sites/default/files/lts January 2021.pdf>).

The Strategy incorporates virtuous energy-environmental trends triggered by the PNIEC from now until 2030 and identifies key levers to bring the Country to "zero net emissions." It consists mainly of energy savings, mix of energy sources and new technologies to be developed in the short to medium term.

Being the PNIEC integrated in the PNRR, the transition from traditional fuels to renewable sources should be accelerated abandoning coal in favour of an increasingly renewable-based electricity mix with a residual and complementary rate of natural gas (and an increasing contribution of renewable gases: biomethane, hydrogen and synthetic methane).

In the long-term perspective to 2050, natural gas can be limited to marginal industrial uses (with CO2 capture), while considering their impact in terms of supply for the entire national energy system.

In order to carry out strategies and projects drawn up, corrective measures are also being studied to be applied, especially in relation to the PNRR, with the aim of solving conflicts and disputes in advance and, consequently, speeding up administrative action. This will be possible by giving as much space as possible to public consultations, in accordance with principles of impartiality, inclusion, transparency, timeliness and feedback on decisional processes.

## **BIODIVERSITY**

To be healthy and resilient, a society must give nature the space it needs.

The protection of biodiversity, "environmental debt" being towards future generations, also has unavoidable economic purposes which are useful to make the link between environment - human rights - business more evident and indissoluble. At the Environment G20 in Naples in 2021, our country prioritised a number of issues with direct implications for biodiversity and nature protection, ecosystem restoration and natural capital.

Genes, species and ecosystem services are essential inputs for business and biodiversity conservation can bring direct economic benefits to many economic sectors: conservation of marine stocks could increase the annual profits of seafood industry while investments in natural capital, for example in restoring carbon-rich habitats and climate-friendly agriculture, are considered among the top five most important policies for fiscal consolidation as they offer high economic multipliers as well as positive climate impacts.

In this perspective, the Ministry for Ecological Transition is committed to the definition of the National Biodiversity Strategy 2030, to be in line with the objectives already identified at EU level in the framework of the EU Biodiversity Strategy 2030 (including: ensuring that at least 30% of species and habitats whose current conservation status is unsatisfactory become so or show a clear positive trend; legally protecting at least 30% of the EU lands and 30% of EU seas, strictly protecting 10% of EU land and 10% of EU seas) and in related implementing measures and programmes.

In coordination with the EU and its Member States, the Ministry is overseeing the negotiation of the Post-2020 Global Biodiversity Framework of the Convention on Biological Diversity to be decided in May 2022 in Kunming, China. The Global Framework aims to encourage the use of nature-based solutions and promote ecosystem restoration, but also to ensure, through the adoption of whole-of-government and whole-of-society approaches, that such comprehensive biodiversity action is effectively implemented and benefits people and communities.

Moreover, with Italy's contribution of almost USD 4 million, in 2021 UNESCO launched the "International Environmental Experts Network - UNESCO Network for Earth" Programme: it is the first global network of qualified environmental experts in favour of parks and territories of the highest natural value recognised by UNESCO on every continent: World Natural Heritage sites, Biosphere Reserves, Geoparks, Intangible Heritage communities.

In the two-year period 2022-2023 the implementation phase of the UNESCO Network will continue, followed by Italy and launched at the G20 to the attention of major economies of the planet: it offers a capacity-building tool to support local communities and young people with specialized support in the areas of conservation and protection of ecosystems and biodiversity, prevention, mitigation and adaptation to climate change, training, education and environmental dissemination.

## **Children's and adolescents' rights**

The Italian Government supports public and private sector initiatives to promote attention, inclusion and protection of children's and adolescents' rights in business practices with the aim of integrating them into all aspects of the value chain - from investment practices, supplier relations, marketing, end-product safety, data protection



and *privacy* protection, to the impact of business activities on communities, market and the environment.

Mention should be made, in this regard, of UNICEF commitment which, starting from the "Children's Rights & Business Principles", has developed and promoted a series of materials addressed to both Governments and businesses to integrate the protection of children's rights in business practices.

In this context, Italy recalls the relevant contents introduced in the European Union Strategy on the Rights of the Child adopted by the EU Commission on 24 March 2021 and, more specifically, renews its commitment inherent in Sustainable Development Goal 8.7 of the 2030 Agenda to end child labour, in all its forms, by 2025.

Italy also promotes "family friendly policies", as national and corporate policies aimed at supporting workers in their role as parents/caregivers. On this issue, UNICEF has formulated some important indications on the best ways Governments and the private sector can build "family friendly" policies:

- encouraging employers to introduce gender-sensitive and inclusive paid leave entitlements, flexible working arrangements and childcare support systems;
- the introduction of paid parental, maternity and paternity paid leave in the early-birth period and for the first year of a child's life; fair and gender-sensitive parental leave to ensure that no parent is overburdened by family care; leave available to all, both for full-time employees and those working part-time or under non-standard contractual arrangements; and financial coverage linked to birth care;
- childcare services made accessible by the end of parental leave, so that there is no gap in available support;
- quality childcare services, made accessible, flexible and affordable, available to all children, regardless of family circumstances;
- alignment of childcare services with other family support policies, such as universal family allowances, to reduce the risk of existing inequalities in access to public childcare facilities.

### **The principle of *Diversity management* in the business context**

*Diversity management* is a well-established approach in Italy in defining the best ways to set principles underlying business structures and strategic priorities for growth and economic development.

In general, the issue of inclusion of vulnerable people in the workplace and the promotion of *diversity management* is a strategic line of action under the mandate of the National Anti-Racial Discrimination Office (UNAR).

With reference to the adoption of National Plans and Strategies, in coherence with the European indications, UNAR started consultation processes involving administrations at central, regional and local level and third sector representatives for the elaboration of the following documents:

- the National LGBTI Strategy;
- the National Plan against Racism, Xenophobia and Intolerance;
- the National Strategy for the Inclusion of Roma, Sinti and Caminanti.

These Plans and Strategies will foresee, with reference to their respective priority axis "Work", concretely achievable objectives and actions specifically aimed at the protection of human rights through the promotion of *diversity management* in the workplace and the sharing and dissemination of good corporate practices.

Through a collaboration agreement with ISTAT, the first national survey on *diversity management* policies in Italian companies (with more than 50 employees) was carried out.

On 24 November 2020, a Memorandum of Understanding was signed between UNAR, trade unions and employers' organizations for the prevention and combating of discrimination in the workplace and the enhancement of differences.

UNAR is also engaged in the implementation of specific actions to support socio-occupational inclusion of vulnerable persons, particularly at risk of marginality (transgender persons, RSC) under the NOP Inclusion 2014-2020, which will be re-proposed also in the EU 2021-2027 programming.

On this matter during 2020 the INL inspection staff implemented, as usual, initiatives for the prevention and promotion of legality, through the organization of specific information meetings, pursuant to Art. 8, paragraph 1, Legislative Decree No. 124/2004. It also deals with equal opportunities and combating discrimination in the workplace. Such regulation is among the competences of Labour Inspectorates at the local level. Through their own inspection staff, they can organize specific events with the purpose of guaranteeing and assuring proper compliance with labour regulations and social security and assistance measures, focusing on the social relevance as well as on legislative and interpretative innovations from Administrations.

These initiatives are addressed not only to employers but also to all subjects operating in the labour market (in particular trade associations, professional unions and professional orders). Moreover, specific initiatives are carried out in schools in order to spread the culture of legality among the future actors of the labour market.

With reference to the need to draw attention to impacts of business activity on family life and children's rights, the Department for Family Policies published the new public call "#Conciliamo", amounting to € 74 million, on 8 November 2019 for family-work reconciliation projects by companies, networks and groups of associated or controlled companies. Available funds will be used for interventions that promote a welfare tailored to families and to improve the quality of life of working mothers and fathers. The call has several specific objectives: the demographic revival, increase in female employment, rebalancing of workloads between men and women, support for families with relatives with disabilities, health protection, combating the abandonment of the elderly. Participation has been opened to companies referred to in Arts. 2082 and 2083 of the Civil Code, as well as networks and groups of related or controlled companies. Approximately 1,000 projects were received and assessed. On 7 September 2021 a decree was issued providing for the list of beneficiaries and the access to financial resources for a total of 127 projects admitted to funding.

Moreover the Department for Family Policies has conceived and coordinated, in partnership with the Department of Engineering of the University of Roma Tre and the Institute for Social Research - Irs, the project ReFlex (Reconciliation and Flexibility: reconciling new work and care needs), promoted and financed within the framework of a public call of the REC Programme of the EU Commission. ReFlex's ambition is to analyze, implement and systemize a corporate welfare model that will become a reference model for all companies in the country. A virtuous system of targeted interventions, training and information activities, creation and exchange of best practices that, also taking advantage of opportunities offered by artificial intelligence through a dedicated application, can be modulated at territorial and corporate level, and be measurable in terms of efficiency for constant and future improvements.

On September 7, 2021, with the participation of the Minister for Equal Opportunities and the Family, the digital application developed by University of Roma Tre was presented to facilitate the sharing by companies of measures and services that can be implemented for work-life balance and support for parenting.

Important advances have also been recorded from the point of view of employers' compliance with Law No. 76/2016 on civil unions, which includes, among other things: 'marriage' leave; obligation to extend leaves and permits provided by legislation and collective bargaining for certain family care needs (e.g., monthly paid leave to assist a partner with a severely disabled ascertained by Law No. 104/1992); obligation to extend welfare schemes, introduced by means of company collective agreements, concerning benefits (in addition to those provided for by collective bargaining) in terms of education, recreation, social or health care, flexible working hours, smart working.

Finally, with regard to the gender dimension, during 2020 an important collaboration process was launched between the National Equality Advisor and Sodalitas Foundation, which represents companies that have signed the Charter for Equal Opportunity and Equality at Work in order to define a plan to relaunch the Charter in partnership with the Ministry of Labour and Social Policies. In this context, a number of activities were launched: monitoring of the Charter's current signatories; design of a self-assessment tool on the implementation of the principles of diversity and inclusion; design of a new dedicated website; design of a bonus mechanism that provides a score for the most committed companies. On 12 November 2020, the event entitled "Integrating diversity at work: a valuable choice. The Charter for Equal Opportunities to spread the culture of diversity in companies" was held: it highlighted the essential role of creating partnerships and networks involving companies, national institutions and the EU Commission, in order to encourage change and reduce inequalities in the labour market. On this occasion the work of the "EU Diversity Charters Platform" of the EU Commission was presented, in which Italy launched the Charter for Equal Opportunities and best practices of some companies involved.

### **Responsible Conduct and Due Diligence in the framework of the United Nations, OECD and European Union**

The issue of responsible business conduct and related introduction of voluntary Due Diligence tools has been at the core of a complex and articulated debate at international level, in the main intergovernmental bodies where UNGPs have been adopted and implemented.

In the United Nations framework, Due Diligence is based on the following elements: identifying and assessing the actual or potential negative impact of business activities on human rights; integrating this assessment into the company's strategic arrangements and activities; monitoring the effectiveness of the latter in terms of risk management and mitigation; and taking appropriate action on negative impact on the enjoyment of human rights. In its voluntary content, in close correlation with the legal standards binding on Member States, Due Diligence has been particularly useful for governmental authorities recommendations to companies concerning to the adoption of appropriate conduct in respect of human rights, based on the overall framework represented by the UNGPs.

In the Organization for Economic Co-operation and Development (OECD), the Guidelines for Multinational Companies introduced Due Diligence, requiring business companies, apart from their territorial performance, to voluntarily integrate into their decision-making and risk management systems a process that allows them to identify, prevent and mitigate their impact - primarily on human rights - and to account for their approach. The establishment of the network of National Contact Points for Responsible Business Conduct has provided for monitoring the conduct of business activities to ensuring the effective implementation of the Guidelines, including Due Diligence throughout the supply chain.

At the European level, the adoption of Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 establishing supply chain Due Diligence obligations for Union importers of tin, tantalum and tungsten, minerals and gold, originating in conflict or high-risk areas, has recently led EU Member States to take action to adapt their legal and regulatory systems to introduce this new obligation for Union importers.

More recently, the debate on Due Diligence has been deepened with a view to its broader mandatory scope: the EU Commission, in its 2018 Action Plan on Sustainable Financial Growth, drew the attention of all stakeholders to the need to develop strategic tools that incorporate Due Diligence along the supply chain. Following the European Parliament Resolution of 29 May 2018, dedicated to sustainable finance for the progressive definition of a mandatory Due Diligence framework, in January 2020 the EU Commission published a specific study on regulatory production process and aimed at compiling a comprehensive measure on mandatory Due Diligence. Finally, in its Resolution of 10 March 2021, the European Parliament addressed to the Commission recommendations concerning Due Diligence and Corporate Responsibility for a future directive, which would contribute to preventing and mitigating potential or actual negative impacts of business action on human rights, the environment and good governance.

Also within the framework of specialized agencies of international organizations such as UNCE/FACT the duty of care has been addressed in a structural manner by producing a Recommendation no. 46: "For the improvement of traceability and transparency of sustainable value chains in the apparel and footwear sector". This Recommendation, aimed at supporting sustainable development through the promotion of business models marked by the adoption of the duty of care and to develop responsible consumption, was approved at the 27th Plenary Session of the United Nations Economic and Social Council in April 2021 and is now being implemented.

Italy has followed the above mentioned process and will continue to provide its contribution to the international debate, taking into proper consideration not only potential risks depending upon lack of Due Diligence but also the factual impact of business conduct stemming from a scarce Due Diligence.

### **Training activities on human rights**

With regard to training, the implementation of the 1<sup>st</sup> NAP has had important feedback through its dissemination in the academia and the judiciary.

With regard to academia, the high-level Round Table, organized with the Human Rights International Corner (HRIC), held on 24 June 2019 at the Ministry of Foreign Affairs and International Cooperation is worth of mentioning. This event was directly linked to the 2019 BHR Summer School: an annual training proposal - hosted in 2019 at Temple University in Rome - that is managed by important academic institutions and organized in collaboration with Wageningen University, the National Research Council (CNR) and the University of Milan. This training has also been supported for the years 2020 and 2021.

As for high-level training, the *Scuola Superiore della Magistratura* organized, in coordination with the Inter-ministerial Committee on Human Rights, a special training module for magistrates that was held at the headquarters of the same School from 16 to 18 September 2019.

The Committee was also invited on December 13, 2019 to participate as a speaker in the context of the Master organized by the Bicocca University of Milan with an intervention on business and human rights.

A more recent training initiative on business and human rights for lawyers led by the International Bar Association (IBA) with the involvement of the *Consiglio Nazionale Forense* (National Bar Council) and the Council of the Order of Milan and Rome, has led to the adoption of special guidelines for lawyers and bar associations on the subject.

It is also important to stress that the Committee has received and submitted to the attention of the GLIDU, an "open letter" addressed to institutions by academia on the issue of Due Diligence, in the perspective of the synergic relationship between business and human rights.

The training dimension, together with the target of an ever wider dissemination of the UNGPs, will receive greater attention in the framework of activities planned for modules proposed by the Inter-ministerial Committee for Human Rights with the National School of Public Administration, for training in favour of diplomatic officials, and in collaboration with the National Association of Italian Municipalities (ANCI) to adequately address the issue of business and human rights in direct contact with administrators and local authorities.

#### **PLANNED MEASURES**

17. With regard to key actions to be implemented in the context of environmental policies, the following ones are provided:

- encourage the reduction of single-use plastic consumption towards systems based on the use of reusable products;
- encourage repair, sharing and exchange of used goods;
- encourage the development, emergence and consolidation of business models based on the 'Product as a Service' (Paas) model, so as to promote the design, manufacture and use of products that are resource-efficient, durable, decomposable, repairable, reusable and upgradeable, as well as the use of materials obtained from waste;
- reduce waste, including through the recovery for social purposes of products (food and non-food) in surplus on the market or with characteristics unsuitable to be placed on the market;
- strengthen the role of prevention and reuse within extended producer responsibility schemes, in particular by establishing a regulatory framework that allows a share of resources to be used to support waste reduction initiatives and to encourage prevention or production decrease;
- promote cultural transformation by training, communicating and raising awareness on change needed and tools available.

18. In collaboration with other Ministries composing the Inter-ministerial Committee for the Ecological Transition (CITE) and, in particular, with the Ministry of the Economy and Finance and with the DIPE/CIPRESS (for SACE guarantees), the following measures will be promoted:

- the alignment of sustainability indicators within the "Voluntary environmental certification system for sustainable finance" (Art. 1, paragraphs 743, 744 and 745, of Law No. 178/2020) in relation to Regulation (EU) 2020/852;
- the assessment of criteria for the issue of guarantees by SACE S.p.a. in favour of green investments and provision of a quota of resources to be allocated to support projects to be launched within Environmental Economic Zones (ZEA) with an update commitment yearly due on 28 February.

19. Among the measures identified in the 2021 programme and in the 2020-2022 multi-year programme, to be adopted to remove obstacles to full effectiveness of environmental certification and management systems within the activities of the Sections of the competent Committee, more directly the Ecolabel Section, engaged in the process started at European level on the issue of "sustainable finance" (COM 2018/97 "Action Plan to finance sustainable growth"), with the participation of central Administrations (Ministry

of Economy and Finance, Ministry of Economic Development, Ministry of Health and ISPR), the following measures are promoted:

- allocation of resources for the implementation of interventions to develop EU Ecolabel and EMAS schemes;
- realization of information events, addressed to potential users and stakeholders (companies, consumer associations, public administration, etc.);
- realization of meetings with local actors in order to make users aware of added value of certifications;
- involvement of public administration, both at local and central level, in order to identify specific training, information and regulatory tools to encourage the dissemination of EU Ecolabel and EMAS systems;
- commitment, through collaboration with competent ministries, to enhance the use of the two certification systems within the initiatives over Circular Economy and the New Green Deal.

20. In line with the EU Commission's forthcoming guidelines on biodiversity, the following measures are to be taken:

- coverage over seabed and possible action on how to reconcile biodiversity targets in marine environments, including regulating by-catches of endangered species to be properly recovered;
- intensified collection of by-catch data on all sensitive species;
- fisheries management measures for all marine protected areas in accordance with clearly defined conservation objectives using the best available scientific advice;
- on land consumption, urban regeneration and redevelopment of heritage, promote an efficient use of buildings for significantly reduced emissions, as well as enhanced protection of green areas:
  - urban forestry;
  - digitalization of parks;
  - implementation of an advanced and integrated system for monitoring and preventing hydrogeological instability;
  - on water, as envisaged by the PNRR, guarantee of sustainable management of water resources: this goal should be pursued through the development of primary water infrastructures, interventions for distribution networks and irrigation, sewage and purification systems.

21. Reaffirm as a priority the elimination of all forms of exploitation of child labour in Italy and with reference to the economic activities of Italian companies abroad, as provided for by the relevant ILO Conventions; to this end, encourage the dissemination among companies of initiatives aimed at increasing attention on impacts of business activities on children's rights and on the need for the inclusion of adequate remedies and mitigation measures as per the risk of violation of such rights. The inclusion of children's rights in business practices includes: the provision of "family friendly policies" designed to support workers in their role as parents/caregivers (smart working, paid parental leave, social protection and adequate wages for all); the introduction of measures to monitor the presence of minors in the workplace; the adoption of Child Safeguarding Policies/Codes of Conduct to foresee, report and take charge of potential risk situations for minors who come into contact with the company; the provision of security guarantees for digital environment (data protection, access to age-appropriate content, privacy protection);

22. Encourage businesses in the dissemination of a culture of non-discrimination by:

- i) the promotion of agreements/protocols of understanding with trade unions and employers' organisations for common and synergic actions to prevent and combat forms of discrimination in the workplace and for the full inclusion of workers;
- ii) the collection of statistical data on discrimination in employment and *diversity management* practices in Italian companies;
- (iii) the promotion of good inclusive practices in the workplace;

- (iv) the promotion of socio-occupational inclusion of transgender people, also through information, training, accompaniment and support to self-entrepreneurship;
  - v) the promotion of an action to involve Italian companies, in line with UN Standards Standards of Conduct for Business on Tackling Discrimination against LGBTI people, in order to prevent and countering discriminatory behaviors and conducts against LGBTIQ+ persons and ensuring the full enjoyment of their rights;
  - vi) the promotion of socio-occupational inclusion of Roma, Sinti and Caminanti people in precarious socio-economic conditions also through actions aimed at starting employment diagnoses, planning of personalized support towards training and employment, promotion of active social policies to encourage participation in the labour market as well as opportunities and strategies for the development of entrepreneurial initiatives (such as, for example, accompaniment and support for business start-up and/or repositioning of economic companies operating in critical sectors);
  - vii) the promotion of entrepreneurial policies and good practices on inclusion and diversity management, entailing the implementation and reporting of the Charter for Equal Opportunities and Equality at Work;
23. Monitor the application of artificial intelligence in the workplace (e.g. recruitment mechanisms) for the purpose of assessing impact on human rights in terms of inclusion and non-discrimination;
24. Promote, with the assistance of the Inter-ministerial Committee for Human Rights, the collaboration with NGOs, as proposed by *Ossigeno per l'Informazione*, and in agreement with AGCOM, training for journalists and editorial managers on business and human rights;
25. With regard to the OECD Guidelines and National Contact Point, Italy undertakes to:
- i) consolidate the promotion of compliance with the UNGPs by companies operating abroad, through an information tool for the diplomatic/consular network, in collaboration with the Ministry of Foreign Affairs and International Cooperation;
  - ii) implement the OECD Guidelines through their promotion among companies with particular regard to human rights dimension, and consolidate the constant dialogue with companies, trade unions, NGOs and representatives of civil society;
26. Promote the dissemination of EU and international Due Diligence standards to businesses;
27. Directly involve businesses - companies and associations, also at the local level - in order to define the best ways to communicate and disseminate expectations on human rights in line with the NAP;
28. Develop guidelines for companies (with particular regard to SMEs) and guidance tools related to different productive sectors, in line with the activity aimed at disseminating guidance tools developed by the OECD, the European Union and other international organizations (IOM);
29. Promote and encourage multi-stakeholder initiatives involving large as well as small and medium-sized companies in order to facilitate the exchange of information and good practices on business and human rights, moving from a general mapping over companies endorsing the UNGPs and operating in accordance with international standards;
30. Promote international framework agreements developed by trade unions;
31. Promote the culture of respect for human rights by businesses through analysis and cooperation with the academia, research bodies, *think-tanks*;
32. Participate in relevant OECD, European Union and other international initiatives on sustainable supply chains, human rights and Due Diligence;
33. Promote the OECD document "COVID-19 and Responsible Business Conduct", in line with Italy's adherence to the *Joint Statement in support of the full development of NCP skills*, the *Business at OECD* (BIAC), OECD Watch and TUAC and the call launched in May 2020 for the implementation of the OECD Guidelines for Multinational Companies.

## **The nexus State - Business**

### **Guiding principle 4**

States should take additional steps to protect against human rights abuses by business enterprises that are owned or controlled by the State, or that receive substantial support and services from State agencies such as export credit agencies and official investment insurance or guarantee agencies, including, where appropriate, by requiring human rights due diligence.

### **Guiding principle 5**

States should exercise adequate oversight in order to meet their international human rights obligations when they contract with, or legislate for, business enterprises to provide services that may impact upon the enjoyment of human rights.

### **Guiding principle 6**

States should promote respect for human rights by business enterprises with which they conduct commercial transactions.

Productive activities of State-owned or controlled companies require enhanced attention by State authorities on the protection of human rights, in line with the UNGPs. Legislative measures and strategic and *policy* documents aimed at guaranteeing a higher level of protection of human rights imply the introduction of reinforcing measures and mechanisms for monitoring and evaluating corporate performance

To this end Italy renews its commitment to ensure that companies controlled or participated in by the State, companies that are supported or have access to governmental benefits, companies that contract or conclude trade transactions with the State, carry out their production activities in compliance with international and European standards, both binding and non-binding, and of related national legislative measures to implement these standards for a full and concrete protection of human rights along the whole supply chain.

The violation of rules relating to the exploitation of child labour and other forms of trafficking in human beings, as defined by Legislative Decree No. 24 of 4 March 2014, constitutes for the company exclusion from procedures concerning public contracts, as provided for in Art. 80, paragraph 1) - letter f), of the Public Contracts Code. When participating in tenders, the economic operator is required to declare the absence of this and other causes of exclusion by filling in the Single European Tender Document, which is a formal self-declaration regarding general and special requirements necessary for participation in the tender. The criteria for participation in public tenders are made public and consultable at European level, through the EU Commission's eCertis portal (<https://ec.europa.eu/tools/ecertis/#/homePage>). The absence of grounds for exclusion under art. 80 can be verified by public procurers by consulting the virtual file of the economic operator through the National Database of Public Contracts.

## **Public Procurement**

Italy fully adheres to the principle of socially responsible procurement and is committed to ensuring that respect for human rights is taken into account at all procurement stages.

Legislative Decree No. 50/2016 (Public Contracts Code) has transposed 2014 EU Directives in force in this field: basic principles are aimed at guaranteeing access to and the conduct of decent work, respect for social and labour rights, as far as SMEs' participation in public contracts.

In the framework of the BHR NAP 2016-2021, in the field of public procurement ANAC has provided operational guidance to administrations to introduce social and environmental



criteria in contractual activities of public administrations through the Guidelines on the Economically Most Advantageous Offer (Guidelines 2 of 2 May 2018 <https://www.anticorruzione.it/-/linee-guida-n.-2>). In the framework of the PNRR, the role of the Public Contracts Database and the Single Transparency Platform managed by ANAC is set to gain importance also to facilitating the involvement of civil society in the control on legality and life cycle approach in public procurement through available digital tools.

The Ministry of Infrastructure and Transport publishes on its website calls for tenders for public infrastructure contracts, as well as the notice of award. In line with Global Standard of Contracting 5 (C5) and other supranational best practices, “Opencantieri” project has been set up: it is an online platform that includes open, complete and updated information on public infrastructure processes.

Contracts related to infrastructure development owe their standards of integrity and transparency also to Consip, the national Central Purchasing Body (CPB) at the Ministry of Economy and Finance (MEF). Its mission is to make the use of public resources more efficient and transparent, while at the same time providing tools and expertise to public administrations and strengthening competition among businesses. Consip has granted a greater and easier access to data and information on its activities, providing useful tools to clearly understand and correctly interpret data, as well as a geo-referencing system that, using interactive maps, allows to consult data on purchases. In order to make the sharing of data and information understandable and systematic, Consip published its second Sustainability Report, with the aim of describing its mandate and contribution to the national public procurement system. In order to ensure a clear and complete accounting of its actions, the Report was drafted according to GRI standards. It describes Consip's operations and performance in terms of environmental, economic and social sustainability, noting how this approach has contributed to the achievement of some SDGs.

The raising of standards of integrity and transparency in the development of infrastructures is also guaranteed through the dissemination of Legality Protocols: these are voluntary agreements between the Prefecture or other Public Security Authorities and public or private companies involved in the management of public works, which have proved particularly useful in combating criminal infiltration. The role of such protocols has recently been strengthened through regulatory interventions (Decree Law No. 76/2020 converted into Law No. 120/2020, added to Legislative Decree No. 159/2011 - Antimafia Code - Art. 83-bis on the subject of "legality protocols"), which give contracting stations the possibility to assess in notices, calls for tenders or letters of invitation that failure to comply with the legality protocols as a cause for exclusion from the tender or termination of the contract.

In order to raise the level of transparency and encourage virtuous mechanisms of larger control over public procurement by citizens and civil society, the ANAC has made available through an Open Data portal all information contained in the National Database of Public Contracts. These data concern both tender procedures and execution of contracts. In addition, ANAC has made available on its website a platform for the processing of these data by citizens and users.

In addition, ANAC is working with other stakeholders in the project "Measuring the risk of corruption at territorial level and promoting transparency" (funded by the National Operational Programme Governance and Institutional Capacity 2014-2020 - ERDF, ASSE 3 - Specific Objective 3.1 Action 3.1.4), to identify quantitative indicators of the effectiveness of anti-corruption measures implemented by the administrations (so-called contrast indicators). The project also intends to create inter-institutional collaboration networks to

guarantee transparency in every sector of the Public Administration. The intent is to raise awareness of the private sector, academia and civil society on the need to overcome the current approach, based on exclusively subjective corruption indicators, and to promote a further approach to measuring corruption, based on reliable data in line with the principle of "leading by example". As suggested by the OECD "investing in improving data quality to enhance risk assessments can provide a context for organizations to address broader issues along the value chain, improving the use of data within decision-making processes" (OECD, 2019).

### **Fight against corruption**

The Italian legal framework on anti-corruption has been strengthened by Law No. 3/2019 ("Measures to combat crimes against the public administration, as well as on prescription and transparency of political parties and movements"), which consolidates a process regulated by Law No. 190/2012 and Law No. 69/2015 (strengthening the anti-corruption system). This most recent legislative measure is an important step towards a more comprehensive anti-corruption regime, in particular with regard to the fight against corruption in the public sector.

Its main features are as follows:

- the law introduces a dual approach: it strengthens the prosecution and (criminal) sanctioning of the act of corruption as well as the (administrative) prevention of the act itself in the public and private sector;
- it encourages coordination between the public institutions involved;
- it promotes a multi-stakeholder approach, calling on the private sector to play an active role in preventing corruption;
- it demonstrates the relevance of the impact of multilateral conventions, recommendations and *standards* developed in the relevant forums (G20, OECD, Council of Europe), against which there is now an important alignment of the national anti-corruption system.

In Italy *Whistleblowing* was introduced by the anti-corruption law (Law No. 190 of 6 November 2012, "Provisions for the prevention and repression of corruption and illegality in public administration"), adopted in compliance with recommendations and conventional obligations emanating from the UN, OECD, Council of Europe and European Union. This law provides for a system of enhanced protection for public employees who report unlawful conducts. Law No. 179 of 30 November 2017 strengthened the pre-existing *whistleblower* protection for public employees and partially extended the same protection to the private sector.

With regard to the public sector, the law provides that a public employee who reports illegal or unethical conduct in the public interest cannot be retaliated against through sanctions, dismissal, demotion, transfer to other offices or other measures that have a negative effect on his/her working conditions.

The protection is guaranteed to: employees of public administrations; employees of public economic entities; employees of private law entities subject to public control; employees and collaborators of private companies that provide goods, works or services to the public administration.

Employees can report a violation :

- to the person responsible for the prevention of corruption and transparency,
- the National Anti-Corruption Authority (ANAC), and
- to the judicial or accounting authority.

The law covers misconduct and ethical errors, including (but not limited to): criminal conduct; violations of codes of conduct; mismanagement of public resources; nepotism;

accounting irregularities; violations of environmental and occupational safety regulations, etc.

The protection entails, albeit within certain limits, the confidentiality of the *whistleblower's* identity. The main protection mechanisms also include: the reversal of the burden of proof on retaliation on the administration, the reinstatement of the employee whose dismissal has been found to be retaliatory, and a financial penalty against the author of the retaliatory act or conduct ranging from € 5,000 to €30,000 imposed by ANAC.

A desk service is available to *whistleblowers* who report cases of unlawful conduct in their workplace. The reports are acquired through a dedicated software, which guarantees confidentiality, security and reliability of *whistleblowers*. ANAC has made the computer application used for the acquisition and management of reports of wrongdoing by employees ("Whistleblower" software) available for re-use by administrations and companies with a European Union Public License (EUPL), which allows free use without further authorization from ANAC.

Focusing on the private sector, the law provides some mandatory *whistleblowing* requirements for those companies that have chosen (or choose) to implement a "231 Model". In particular, companies must provide communication channels that allow the submission of reports based on precise and factual elements connected with crimes as listed in Legislative Decree No. 231/2001. These communication channels must guarantee the confidentiality of the *whistleblower* in the management of the report; in addition, at least one alternative reporting channel must be provided which guarantees - using ad hoc software - the confidentiality of the *whistleblower's* identity; the 231 model must also prohibit acts of retaliation, direct or indirect discriminatory actions against the *whistleblower* for reasons connected to the report/alert.

Sanctions must be introduced in the disciplinary system adopted with the 231 model, both for those who violate the *whistleblower* protection measures and for the *whistleblowers* themselves who make malicious or seriously negligent reports that turn out to be unfounded; discriminatory measures may be reported to the Labour Inspectorate and to the competent trade union organizations.

In addition, discriminatory dismissals, job changes and any discriminatory measures taken against the *whistleblower* will be void unless the company can demonstrate that they are in no way related to the *whistleblowing* activity.

EU Directive 2019/1937, which regulates the "protection of persons who report breaches of Union law", is currently being transposed in Italy, introducing common rules aimed at ensuring the protection of employees who report wrongdoing or breaches ("Whistleblowers") in the Member States' legal systems.

It should be noted that some large Italian companies, announcing a policy of "zero tolerance" towards fraud and corruption, have been pioneers in this field, having created protected channels of reporting with a guarantee of anonymity even before the entry into force of the above-mentioned law. With the support of *Transparency International* - Italy, they have recently voluntarily adopted an *online whistleblowing* platform that is more advanced than the tools currently in use and that conforms to the highest standards of confidentiality.

### **Internationalization of companies**

The strategic role of public agencies (in Italy SACE and SIMEST, with reference also to the *Cassa Depositi e Prestiti* - CdP system) makes them more exposed to the risk of being associated or directly linked to human rights violations: both agencies have integrated the OECD *Common Approaches* and carry out a Due Diligence analysis on the potential social

and environmental impacts of their operations. In the management of financial instruments of development cooperation, with particular regard - but not limited to - facilities to Italian companies participating in joint ventures in partner countries, whose regulatory basis lies in Art. 27 of Law No. 125/14, standards on respect for human rights are introduced. In the implementing regulations approved by the Joint Committee referred to in Art. 21 of Law No. 125/14 on 28 April 2021 (Resolution 22/21), and which follows the adoption of CICS Resolution No. 5 of 11 June 2020, the presence of certifications on social responsibility issued on internationally recognized bases (ISO 26000, SA 8000), as well as formal adherence by the applicant company to the UN principles of the Global Compact will be considered a preferential qualification.

#### **PLANNED MEASURES**

Italy undertakes to carry out the following activities, ensured through coordination between the Inter-ministerial Committee for Human Rights and ANAC for:

34. through new mechanisms of monitoring and recognition of business activities, provide for an analysis of the Due Diligence of public or state-controlled companies, including non-financial reporting;

35. continuing the promotion and protection of human rights, with a proactive role of the Inter-ministerial Committee for Human Rights, in correlation with the priority lines introduced in the framework of the PNRR and the SNSVS, including - among others - issues such as anti-corruption, non-financial information disclosure, supply chain, environmental issues, decent work and non-discrimination in favour of competing companies in public calls for tender and within contracts stipulated with companies for the purchase of goods and services, with particular regard to (i) Italian companies operating abroad; (ii) Italian companies using foreign suppliers; (iii) foreign companies;

36. promote the use of distributed ledger technologies, such as blockchain, to facilitate the traceability of products and services along global supply chains, including at sectoral level and in coordination with International Organizations.

#### **Encouraging respect for human rights by companies in conflict zones**

##### **Guiding Principle 7**

Because the risk of gross human rights abuses is heightened in conflict-affected areas, States should help ensure that business enterprises operating in those contexts are not involved with such abuses, including by: (a) Engaging at the earliest stage possible with business enterprises to help them identify, prevent and mitigate the human rights-related risks of their activities and business relationships; 9 (b) Providing adequate assistance to business enterprises to assess and address the heightened risks of abuses, paying special attention to both gender-based and sexual violence; (c) Denying access to public support and services for a business enterprise that is involved with gross human rights abuses and refuses to cooperate in addressing the situation; (d) Ensuring that their current policies, legislation, regulations and enforcement measures are effective in addressing the risk of business involvement in gross human rights abuses.

Italy acknowledges an enhanced attention to the respect of human rights in areas affected by armed conflict, where their promotion can be an essential tool to prevent conflict and rebuild more stable and peaceful societies. On this basis, and with specific reference to minerals from areas affected by conflict or at high risk - in particular in the gold sector - Italy has performed best practices through awareness campaigns and training activities in line with the OECD Guidelines on Due Diligence, *as well as* the relevant EU regulations. In addition, again with reference to responsible trade in minerals, Regulation (EU) 2017/821 of the European Parliament and of the Council was adopted in 2017. This established supply chain Due Diligence obligations for Union importers of tin, tantalum and tungsten,

their ores, and gold, originating in conflict or high-risk zones. It has been transposed into Italian law through Legislative Decree No. 13 of 2 February 2021, which establishes Due Diligence obligations in the supply chain for Union importers of tin, tantalum and tungsten, their ores, and gold, originating in conflict or high-risk areas.

#### **PLANNED MEASURES**

37. Fully implement Regulation (EU) 2017/821 establishing supply chain Due Diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold, originating in conflict or high-risk areas;
38. Further promote awareness of the OECD Guides on Due Diligence for Companies Operating in Weak Governance Zones (the "Risk Awareness Tool for Multinational Companies in Weak Governance Zones" and the "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas");
39. Include respect for human rights by businesses through specific projects designed and developed through the Italian Agency for Development Cooperation in areas of armed conflict (or high risk) that include awareness raising and *capacity-development* activities;
40. Strengthen the action of the Italian Cooperation on gender equality, including through support to the economic development of women in post-conflict situations in line with the three UN Pillars (peace and security, development and human rights) and in the context of the legislative and programmatic framework of UN Security Council Resolution 1325 "Women, Peace and Security" and Fourth National Action Plan on Women, Peace and Security adopted by Italy in 2020;
41. Confirm Italy's commitment to microfinance initiatives that favour and support local entrepreneurship in development cooperation partner countries.

#### **Ensuring policy coherence Guiding Principle 8**

States should ensure that governmental departments, agencies and other State-based institutions that shape business practices are aware of and observe the State's human rights obligations when fulfilling their respective mandates, including by providing them with relevant information, training and support.

In a fully systemic and consistent manner with the first NAP, Italy confirms the relevance of a multi-actor institutional framework for the affirmation of international human rights standards.

The Inter-ministerial Committee for Human Rights responds, structurally and operationally, to this need. All the Ministries represented - in their respective internal articulation - main governmental agencies and local authorities - operate for the promotion of human rights in the domestic legislative and programmatic context, also in the view of a consolidated linkage between business and human rights.

In its mandate, the Inter-ministerial Committee for Human Rights operates not only in terms of guidance, direction, coordination, comparison and dialogue on human rights, but carries out a large number of awareness raising activities thanks to the contribution from its members. This is in addition to training, which includes BHR issues since the adoption of the first NAP.

#### **PLANNED MEASURES**

42. Preparation - by and/or in collaboration with the Inter-ministerial Committee for Human Rights - of spaces and activities for awareness raising and training on human rights and business (with particular attention to the so-called vulnerable categories (women, minors, persons with disabilities, LGBTIQ+ persons, minorities, migrants, etc.) designed as tools for support to businesses and public officials. These tools may consist in

the preparation of governmental webpages to host dedicated information material, as well as in the development of campaigns, surveys, e-learning modules and ad hoc seminars. The latter will be defined in relation to specific competences and activities of each Ministry, as well as in constant dialogue with local authorities and all stakeholders who wish to take part in these initiatives.

**Guiding principle 9**

States should maintain adequate domestic policy space to meet their human rights obligations when pursuing business-related policy objectives with other States or business enterprises, for instance through investment treaties or contracts.

**Guiding principle 10**

States, when acting as members of multilateral institutions that deal with business-related issues, should: (a) Seek to ensure that those institutions neither restrain the ability of their member States to meet their duty to protect nor hinder business enterprises from respecting human rights; (b) Encourage those institutions, within their respective mandates and capacities, to promote business respect for human rights and, where requested, to help States meet their duty to protect against human rights abuse by business enterprises, including through technical assistance, capacity-building and awareness-raising; (c) Draw on these Guiding Principles to promote shared understanding and advance international cooperation in the management of business and human rights challenges.

On a general note multilateral intergovernmental systems are the main context where attention is paid to BHR issues and dialogue is stimulated with businesses in order to promote and protect human rights at the highest level. In such systems, it is possible and necessary, to act in a joint and coherent way by state and business actors for the negotiation and adoption of *policy* and financial commitments aimed at supporting economic, social and environmental development processes.

In light of the results gradually achieved in the implementation of the 2030 Agenda for Sustainable Development, Italy considers this international cooperative framework instrumental for the promotion of human rights also in the business dimension. Italy, by actively participating in all processes promoted and managed by international and regional bodies, business actors and civil society for the realization of a series of interventions aimed at achieving the SDGs, is aware that none of the Goals can be achieved if a high level of protection of human rights is not ensured at the same time. For this reason, Italy renews its commitment, achieved through many cooperative activities carried out on an international level, both bilateral and multilateral, to effectively dialogue with companies in order to consolidate the level of protection of human rights.

In particular, Art. 23 of Law No. 125/2014 should be mentioned: it provides for the participation of "for-profit entities" in the Italian Cooperation system and allows for public support of private sector initiatives that prove to be consistent with programming. This is in compliance with the ultimate aim of cooperation including fight against poverty, reduction of inequalities and promotion of human rights.

In compliance with Law No. 125/2014, which therefore considers companies as subjects of cooperation, the adherence of the company to the Global Compact has been made a mandatory prerequisite for participation to Profit Call published by the Italian Agency for Development Cooperation and dedicated to Italian and European companies for the implementation of innovative and sustainable business initiatives to be carried out in Developing Countries.

In order to participate in the above-mentioned Call, companies must have formally adhered to the 10 UN principles of the Global Compact and the UNGPs. Formal adherence to the principles of the UN Global Compact such as those relating to respect for human rights, workers, environmental protection and the fight against corruption, is a necessary requirement not only for sustainable economic growth, but also for the affirmation of democratic and participatory principles and the elimination of discrimination and inequality.

Attention to human resources and compliance with local regulations on worker safety are relevant and qualifying elements in the evaluation of Profit Initiatives in order to ensure respect for workers' rights, environmental and health standards and human rights. In the Call for Proposals, it is explicitly provided that the implementation of the interventions must take place in compliance with the principles and aims of Law No. 125/2014, international standards on human rights, decent work, social responsibility and environmental protection, as well as the rules on public contracts and, in particular, the Public Contracts Code.

#### **PLANNED MEASURES**

43. Carry out an open and constructive dialogue with States for the exchange of knowledge and good practices regarding voluntary review models of National Action Plans on Business and Human Rights, including through *peer review* mechanisms;

44. Support initiatives in all major international systems with the aim of developing tools to promote and strengthen 'fair competition' for the promotion and protection of human rights, including through the use of Due Diligence mechanisms, and foster the exchange of experiences with partner countries, both at European and international level, and with international organizations such as the United Nations, UNECE, OECD, ILO, UNICEF, IOM and the European Union;

45. Continue and strengthen support for *Global Compact* activities and corporate adherence to its standards;

46. Strengthen support, at international and European level, for the promotion and inclusion of social and environmental sustainability clauses in international and trade and investment treaties;

47. Promote the use of distributed ledger technologies such as *blockchain* to facilitate the traceability of products and services, including at the sectoral level and in coordination with international organizations;

48. Disseminate principles adopted in relation to emerging technologies such as artificial intelligence for human rights compliance with a Due Diligence approach;

49. Continue to support and promote in a multi-stakeholder framework the Guidelines on Business and Human Rights Defenders, through eventually of a pilot programme with the active participation and collaboration of a selected and significant group of Italian companies and civil society organizations;

50. Contribute, through exchange with governments and social partners, to good practices and common strategies to support the application of Due Diligence mechanisms in the debate on "Decent Work in the Global Supply Chain" promoted by ILO.

#### **Guiding principle 25**

As part of their duty to protect against business-related human rights abuse, States must take appropriate steps to ensure, through judicial, administrative, legislative or other appropriate means, that when such abuses occur within their territory and/or jurisdiction those affected have access to effective remedy.

#### **Guiding Principle 26**

States should take appropriate steps to ensure the effectiveness of domestic judicial mechanisms when addressing business-related human rights abuses, including considering ways to reduce legal, practical and other relevant barriers that could lead to a denial of access to remedy.

The creation of remedial mechanisms - in terms of operational frameworks and procedures - to ensure access to justice for victims of human rights violations, as a result of the implementation of productive activities by companies, is one of the core goals of the UN 'Accountability and Remedy' project.

Italy has participated in this project, reporting the introduction of legislative measures aimed at this purpose and at facilitating even corporate structures for the introduction of remedial mechanisms-models, referring to multiple legal disciplines (contracts, competition, arbitration, labour law, consumer law, environmental law, privacy, non-discrimination and legislative measures for equality, protection of freedom of information and protection of *whistle-blowers*).

Within the Italian framework, several non-judicial mechanisms coexist, placed within the institutional framework or functionally connected to it, with a divergent mandate and impact from the decision-making point of view. These are placed side by side to the judicial system and are characterized by structural and operational features that are easier and more accessible as well as less expensive and faster, while granting independence and effectiveness.

This category includes the National Contact Point (NCP) in charge of promoting the widest implementation of the OECD Guidelines for Multinational Enterprises by Italian companies of all sizes and sectors.

The Italian NCP was established in 2002 under Art. 39 of Law No. 273/2002, and is located at the Ministry of Economic Development - Division VI of the Directorate General for Industrial Policy, Innovation and Small and Medium Enterprises . It is supported by a multi-stakeholder advisory group (the 'NCP Committee') composed by:

- the Secretariat at the aforementioned Division;
- a Chair: General Director;
- the NCP Committee: composed of competent institutions and representatives of stakeholders adhering to the NCP on an advisory basis.

The task of the NCP are the following ones:

- promoting the OECD Guidelines for Multinational Companies (GL);
- diffusing the Due Diligence principles and promoting the adoption of the Responsible Business Conduct to protect Human Rights and all other values covered by the OECD;
- handling Specific Instances addressed to the NCP;
- participating and contributing to all national and international fora and events raising awareness around the adoption and implementation of the Due Diligence and Responsible Business Conduct.

The NCP is regulated by the Italian Anti-Corruption Law No. 190/2012 and it obeys to the Italian Law No. 215/2004 that addresses conflicts of interest in public administration.

All outcomes of Specific Instances are published and the NCP has elaborated and published an Handbook for the management of Specific Instances; it also cooperated with the Italian Research Institute for International Juridical Studies (ISGI) in the management of the Specific Instances.

Between 2000 and 2019, NCPs have handled more than 500 cases relating to company operations in over 100 countries and territories.

Total Complaints received by the Italian NCP 2004-2020: 24

Total Complaints received in the period 2016-2020: 15



- Complaints accepted: 9
- Complaints rejected: 12
- Complaints withdrawn: 2
- Instance just received: 1

Claimants (by category by number):

- Trade unions: 9
- Individuals: 6
- NGO: 8
- Companies: 1

Geographic areas (Host Country)

- Italy: 10
- India: 2
- Nigeria: 2
- USA, China, Brazil, Ethiopia, Iran, Azerbaijan,
- Georgia, Turkey, Kazakhstan, Congo (1 x country)

Results:

- Final statements: 4
- Agreement between the parties: 3 (two of which by the lead NCP)
- Agreement in parallel proceedings: 5

According to the OECD database, the chapters of the Guidelines most affected by Instances to the Italian NCP are: "General principles" and "Human rights" on an equal footing, "Disclosure of information"; and "Employment and industrial relations". Among Specific Instances submitted to the Italian NCP, an high place is attributed to human rights, with a close link with labour and environment issues, and the chapter on general principles. At the Italian NCP level, it should be noted that the chapter on General Principles contains concepts relating to Due Diligence, to any other deficiency of the company, its branches or its partners along the supply chain.

So far the NCP disseminates the knowledge of the Guidelines, both through the management of the so-called mechanism of the specific instances, and through the instruments of mediation and/or conciliation, receiving Instances by individual or collective subjects whose human rights have been compressed by companies and who have had access to remedial mechanism. Although the final decision on the case is not relevant from a judicial point of view, it is nevertheless an important measure for the adoption of appropriate corrective measures within the company to avoid further violations of human rights.

As to the use of the Government's economic leverage to ensure that companies follow the recommendations by the NCP, this goes beyond the OECD Guidelines which only encourage NCPs to "inform governmental agencies of their statements and reports when they are known by the NCP to be relevant to a specific agency's policies and programmes". Nevertheless, the NCP signed a MoU with SACE to exchange information informally so that they could coordinate their tasks and policies. The Italian NCP also recently created a new sub-group for specific work on COVID-19 and Responsible Business Conduct.

#### **PLANNED MEASURES**

51. In the framework of the monitoring action foreseen in the present NAP, the following priorities are established:

- (i) undertake an up-to-date mapping of the national legal framework on corporate responsibility for human rights, any available remedies, and subsequently develop practical guidance;
- (ii) identify any gaps or barriers that prevent or render less than fully effective access to judicial remedies for victims of business-related abuse, especially with respect to extra-territorial violations, including on the basis of the relationship between primary and subsidiary companies;

(iii) reconsider the introduction of legislative measures or the reform of those currently in force to strengthen access to an effective remedy in the fields of civil, criminal and administrative law;

52. As part of the overall reform of the judicial system, raise awareness of: (i) remedies against the excessive length of civil proceedings; (ii) measures to strengthen specialized courts for companies, including by extending their jurisdiction to actions for consumer protection, unfair competition, misleading advertising; (iii) introduction of criminal law provisions against economic crimes, including those committed abroad;

53. Design and implement, with the assistance of the Inter-ministerial Committee for Human Rights, training courses for judges and lawyers of business and human rights, including through the collaboration of the National Forensic Council and third parties with expertise in the field;

54. Ensure an adequate level of resources dedicated to legal aid, and ensure access to free legal aid also for non-resident foreign nationals, in particular for irregular migrants who are victims of crimes committed by criminal organizations, such as trafficking in human beings, and enable them to report such crimes regardless of their status.

#### **Guiding Principle 27**

States are required to ensure adequate non-judicial complaints mechanisms, in addition to judicial mechanisms, as part of a comprehensive state system for redressing business-related human rights abuses.

#### **PLANNED MEASURES**

In line with operational instruments already described in the first NAP, and which are still in force, provide for the following actions concerning non-judicial mechanisms for denouncing human rights violations by companies:

55. The introduction of the issue of human rights violations by companies in the mandate of the Independent National Commission on Human Rights;

56. Renewed and broader information, especially for stakeholders as victims, of the mechanism of 'Specific Instances' to the NCP, in relation to alleged human rights violations by companies;

57. The launch, also through the diplomatic and consular network and with the involvement of the Italian Chambers of Commerce abroad, of awareness campaigns on non-judicial complaint mechanisms, in collaboration with the Ministry of Foreign Affairs and International Cooperation;

58. The provision of mechanisms for coordination and cooperation with many ombudsmen active at local and national level, in order to raise their awareness in the activities of protection and advocacy against human rights abuses by businesses;

59. With reference to the ADR (*Alternative Dispute Resolution*) model, raise awareness of it through training for citizens and professionals.

#### **Guiding Principle 28**

States should consider ways to facilitate access to effective non-state complaints mechanisms against business-related human rights abuses.

#### **Guiding principle 30**

The availability of effective complaint mechanisms must be ensured through sectoral initiatives, multi-stakeholder projects and collaborative programmes based on respect for human rights standards.

#### **Guiding Principle 31**

In order to ensure effectiveness, both state and non-state non-judicial complaints mechanisms must be: a. Legitimate: receive the confidence of the stakeholder groups they address and provide for the fair conduct of complaints procedures; b. Accessible: be

known to all stakeholder groups they address and provide appropriate assistance to those with particular barriers to access; c. Predictable: ensure a clear and known procedure with an indicative timeline for each stage, as well as clarity on the types of procedures and possible outcomes, as well as the means of monitoring their implementation; d. Fair: working to ensure that aggrieved parties have reasonable access to sources of information and advice and to the knowledge necessary to conduct a complaints procedure on a fair, informed and respectful basis; e. Transparent: keeping parties to a complaints procedure informed about the progress and providing sufficient information about the ability of the mechanism to build confidence in its effectiveness and to satisfy any public interests at stake; f. rights-compatible: ensuring that outcomes and reparations are in line with universally recognized human rights; g. source of continuous learning: ability to draw on relevant measures in order to learn and consequently improve the mechanism and avoid future wrongs and complaints.

Italy attaches particular importance to non-state complaint mechanisms, alongside the traditional functioning of the judicial system. For this reason, Italy renews its commitment to dialogue and encourages civil society, trade unions and business associations to set up and activate (both jointly and within their own of competence) complaint mechanisms that meet the criteria set out in Guiding Principle 31.

These mechanisms can be outlined according to traditional models, i.e. the establishment of internal bodies, through multi-stakeholder initiatives, or even through the use of digital technologies for the creation of online platforms and tools. The common operational objective would be of allowing the formulation, receipt and evaluation of petitions for alleged human rights violations by companies and providing for appropriate remedies or compensation mechanisms.

## **V. UPDATING, MONITORING AND DISSEMINATION OF THE PLAN**

Today the implementation of the UNGPs requires an enhanced commitment compared to the previous decade. It demands to operate in line with guidelines, results achieved and examined, and criticalities and challenges posed to States and companies in the framework set up by the UN BHR Working Group. This engagement is aimed to achieve an even more impacting action until 2030, involving all actors concerned and ensuring coherence between legislative and administrative measures, policies and programmatic and operational tools for the promotion of human rights.

In this perspective the creation, already foreseen in the first NAP, of an ad hoc Working Group on Business and Human Rights (GLIDU) has allowed to proactively respond to the above mentioned need.

The GLIDU is composed of representatives of the key Administrations involved on the BHR theme - through a dynamic approach that allowed its further expansion. It was convened in its first session on March 13, 2017, followed by a second meeting on November 20, 2017 to plan an agenda as well as the periodic convening in two annual sessions: a procedure that will be preserved also with regard to the implementation phase of the second NAP.

The GLIDU has had the task of monitoring the gradual implementation of the NAP, of coordinating the activities of updating the commitments undertaken and of foreseeing, where appropriate, a revision to review them with in relation to changing needs depending upon BHR intrinsic dynamism at an international and European level. Therefore the GLIDU has identified strengths and weaknesses of the NAP in its implementation: the diversification of categories of subjects as potential victims of human

rights violations by companies, the involvement of companies in a wide multi-dimensional vision throughout the territory as well as business conducts in the framework of development and cooperation initiatives. On the other hand, some judicial difficulties have been met in order to guarantee an effective implementation of the UNGPs' third pillar.

The monitoring of the first NAP was carried out in a targeted manner in 2018, through the adoption of a mid-term review as an unique step in the national and international framework. This procedure will be replicated for the second NAP, ensuring the participation of businesses, with the intention of sharing progress with respect to goals, and to assess possible corrective or urgent interventions that would encourage its full implementation. It will be followed, as was the case in the process of compiling the second NAP, by a final monitoring and evaluation at the end of the five-year implementation cycle.

Indeed a comprehensive final analysis of the outcomes achieved as a result of the implementation of the first NAP was performed through the opening of an e-consultation in April 2021, with the participation of a large number of stakeholders providing their input according to a pre-filled questionnaire (see Annex 2 to the NAP). This passage was reinforced, precisely with a view to dialogue with stakeholders, through the publication of the preliminary version of the second NAP, which was also subject to public consultation in September-October 2021. The importance of a fruitful and transparent collaboration with all national and international bodies (with reference to those present and operating in Italy), both institutional and non-institutional, is key for the implementation and in monitoring of the second NAP.

In order to ensure that the mid-term and final reviews are really useful steps for an overall check over the commitments undertaken and their translation into concrete actions, the second NAP envisages specific quantitative and qualitative indicators to measure and assess its implementation. These indicators have been examined and approved by the GLIDU and are included in Annex 1 of the NAP itself, recalling all measures in charge of competent Administration/Administrations. The introduction of a complex set of indicators will grant monitoring action on an annual basis.

Finally, it is also worth highlighting how the multi-stakeholder approach has been translated in the promotion and preservation of a constant and fruitful dialogue with non-institutional actors (businesses, trade unions, civil society, human rights defenders, experts and representatives of academia), convened in proper open sessions for listening and debating with the GLIDU. In these occasions the NAP has been discussed, in order to promote its wider knowledge and to bring the UNGPs even closer to the public opinion. This approach will be confirmed and reinforced for the implementation of the second NAP.

**ANNEX 1**  
**ACCOUNTABILITY GRID and ASSESSMENT TOOLS FOR THE IMPLEMENTATION OF THE NAP**

Measure	Responsible Administration(s)	Indicator (Qualitative Monitoring and Implementation)
1. Strengthen the role of the so-called legality rating with the aim of promoting respect for human rights in all economic activities.	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	Quant: number of
2. Update the implementation assessment information of Legislative Decree No. 231/2001 in order to evaluate its extension in terms of objectives and application of the administrative liability of legal persons, and to pursue the following objectives in this area: - efficient asset management and economic qualification of assets by treating them as a source of wealth for the community; - the fight against the crisis and the rate of unemployment suffered by economic sectors most affected by measures to counter the epidemic emergency (catering and the gastronomic sector; tourism/hotel sector; small businesses/individuals in the craft and retail sectors of <i>Made in Italy</i> ); - the prevention of the social fallout related to the confiscation of business and, in particular, the disaffection of the citizenry towards criminal justice operators; - the promotion of a culture of sustainability in its dimensions (economic-social-environmental), through the careful and accompanied reuse of the confiscated business assets; - the implementation of inclusion policies that enhance the value of the human being coming from the most socially fragile contexts, with particular reference to the contribution offered by female population, through its full involvement in management and in social recovery of the assets in question; - the assistance to companies towards a successful restructuring that makes them fully autonomous, capable of being self-sustaining and supportive for their own community, thanks to the sustenance provided by virtuous operators - public and private; - the assistance to young people towards self-entrepreneurship, with the aim of forming generations with a critical spirit capable of grasping the needs of their own context and of approaching problems posed by the current economic model in a constructive manner, encouraging a sustainable transition and, above all, making them learn and, by learning, do.	Ministry of Justice	Quant: number of responsibility expected objectives
3. Strengthen the role of competent bodies and inspection activities in combating and controlling the emergence of irregular work and <i>caporalato</i> , pursuant to Art. 103 of the "Relaunch" Decree-Law No. 34 of 19 May 2020 ("Emergence of labour relations").	Ministry of Labour and Social Policy	Quant: number of
4. Ensure the full implementation of the Three-Year Plan to Combat Labor Exploitation in Agriculture and <i>Caporalato</i> 2020-2022.	Ministry of Labour and Social Policies, Ministry of Agricultural, Food and Forestry Policies	Quality: description and results achieved
5. Develop new coordination measures in the activities of prevention and control of the phenomenon of irregular work and to encourage the	Ministry of Labour and Social Policies, Ministry of	Quality: description and results achieved

operation of the "Network of quality agricultural work".	Agricultural, Food and Forestry Policies	
6. Ensure full implementation of the National Action Plan against Trafficking and Serious Exploitation of Human Beings.	Presidency of the Council of Ministers - Department for Equal Opportunities	Quality: description and results achieved
7. Fully implement the provisions contained in the new legislation on Development Cooperation, with particular <i>focus</i> on the relationship between for-profit and not-for-profit actors and promote the widest knowledge among companies of the Guidelines on Childhood and Adolescence, the Cooperation Guidelines on Gender Equality and the Empowerment of Women, Girls and Children (2020-2024) and the Guidelines on Disability and Social Inclusion in Cooperation Interventions.	Ministry of Foreign Affairs and International Cooperation	Quality: description and results achieved
8. Continue to implement the provisions contained in the Second Disability Action Programme, with particular reference to line 5 "Labour and Employment" and to provisions concerning the definition of support measures and a system of incentives for first and second level bargaining over flexibility, part-time work and work-life balance for persons with disabilities or serious and chronic progressive illnesses or caregivers of persons with serious disabilities.	Presidency of the Council of Ministers - Office for policies in favour of people with disabilities	Quality: description and results achieved
9. Promote the employment inclusion of persons with disabilities with attention to persons with disabilities with more severe disabling conditions.	Presidency of the Council of Ministers - Office for policies in favour of people with disabilities	Quality: description and results achieved
10. Consolidate respect for the fundamental rights of people with disabilities in line with international conventional standards in relation to access to and quality of hospital care through the promotion and dissemination of the "Charter of Rights of People with Disabilities in Hospital" created by the Coop. Sociale Onlus Spes contra Spem in 2010.	Presidency of the Council of Ministers - Office for policies in favour of people with disabilities	Quality: description and results achieved
11. Promote in a strengthened way women's leadership and women's empowerment in the business sector, through an effective implementation of Law No. 120/2011, and to strengthen measures to prevent gender discrimination in the workplace - depending on the better implementation of Law No. 4 of 15 January 2021 of ratification of the International Labour Organization Convention No. 190 on the Elimination of Violence and Harassment in the Workplace. To this complex end, further actions will be promoted to: i) certify equality for companies through the definition of a simple, fast, streamlined and objective tool that measures the situation of staff according to different factors (recruitment, remuneration, career development), capable of stimulating change and having an impact on the entire productive and social system; ii) assess the gender impact ( <i>ex-ante</i> and <i>ex-post</i> ) in all business processes, in particular with regard to corporate restructuring processes (relevant for safeguarding gender balance in the post-Covid phase); (iii) to promote transparency measures provided for in current legislation on compliance with gender equality rules by companies and public bodies.	Presidency of the Council of Ministers - Department for Equal Opportunities	Quant: number of Quality: description and results achieved
12. Consolidate AGCOM's monitoring action on gender issues within the information sector and in particular the press profession.	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights, AGCOM	Quality: description and results achieved

<p>13. Consolidate the commitment made at the national level with respect to international standards, in particular the Protocol relating to ILO Convention on Forced Labour of 2014 and Recommendation CM/Rec(2016)3 (monitoring) adopted by the Committee of Ministers of the Council of Europe with reference to business and human rights.</p>	<p>Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights, in collaboration with the other competent Administrations</p>	<p>Quality: description and results achieved</p>
<p>14. Update the information on the current legislative framework to combat illegal work and labour exploitation in the agricultural, construction, manufacturing and service sectors.</p>	<p>Ministry of Labour and Social Policies, Ministry of Agricultural, Food and Forestry Policies</p>	<p>Quality: description and results achieved</p>
<p>15. Conduct a systematic review of the legislative system in accordance with international standards on Due Diligence of companies.</p>	<p>Ministry of Justice</p>	<p>Quality: description and results achieved</p>
<p>16. Further promote an effective implementation of Legislative Decree No. 254/2016 implementing Directive (EU) 2014/95 on the disclosure of non-financial and diversity information by large companies and groups of companies, including through a benchmarking exercise carried out on a sample of companies and aimed at analyzing the effective inclusion of the human rights dimension in non-financial reports published by companies and supervised by CONSOB, including in relation to diversity and gender.</p>	<p>Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights</p>	<p>Quant: number of Quality: description and results achieved</p>
<p>17. With regard to key actions to be implemented in the context of environmental policies, the following ones are provided:</p> <ul style="list-style-type: none"> <li>- encourage the reduction of single-use plastic consumption towards systems based on the use of reusable products;</li> <li>- encourage repair, sharing and exchange of used goods;</li> <li>- encourage the development, emergence and consolidation of business models based on the 'Product as a Service' (Paas) model, so as to promote the design, manufacture and use of products that are resource-efficient, durable, decomposable, repairable, reusable and upgradeable, as well as the use of materials obtained from waste;</li> <li>- reduce waste, including through the recovery for social purposes of products (food and non-food) in surplus on the market or with characteristics unsuitable to be placed on the market;</li> <li>- strengthen the role of prevention and reuse within extended producer responsibility schemes, in particular by establishing a regulatory framework that allows a share of resources to be used to support waste reduction initiatives and to encourage prevention or production decrease;</li> <li>- promote cultural transformation by training, communicating and raising awareness on change needed and tools available.</li> </ul>	<p>Ministry for Ecological Transition</p>	<p>Quality: description and results achieved</p>
<p>18. In collaboration with other Ministries composing the Inter-ministerial Committee for the Ecological Transition (CITE) and, in particular, with the Ministry of the Economy and Finance and with the DIPE/CIPESS (for SACE guarantees), the following measures will be promoted:</p> <ul style="list-style-type: none"> <li>• the alignment of sustainability indicators within the "Voluntary environmental certification system for sustainable finance" (Art. 1, paragraphs 743, 744 and 745, of Law No. 178/2020) in relation to Regulation (EU) 2020/852;</li> <li>• the assessment of criteria for the issue of guarantees by SACE S.p.a. in favour of green investments and provision of a quota of resources to be allocated to support projects to be launched within Environmental</li> </ul>	<p>Ministry for Ecological Transition, in collaboration with other relevant Administrations</p>	<p>Quality: description and results achieved</p>

Economic Zones (ZEA) with an update commitment yearly due on 28 February.		
<p>19. Among the measures identified in the 2021 programme and in the 2020-2022 multi-year programme, to be adopted to remove obstacles to full effectiveness of environmental certification and management systems within the activities of the Sections of the competent Committee, more directly the Ecolabel Section, engaged in the process started at European level on the issue of "sustainable finance" (COM 2018/97 "Action Plan to finance sustainable growth"), with the participation of central Administrations (Ministry of Economy and Finance, Ministry of Economic Development, Ministry of Health and ISPPA), the following measures are promoted:</p> <ul style="list-style-type: none"> <li>- allocation of resources for the implementation of interventions to develop EU Ecolabel and EMAS schemes;</li> <li>- realization of information events, addressed to potential users and stakeholders (companies, consumer associations, public administration, etc.);</li> <li>- realization of meetings with local actors in order to make users aware of added value of certifications;</li> <li>- involvement of public administration, both at local and central level, in order to identify specific training, information and regulatory tools to encourage the dissemination of EU Ecolabel and EMAS systems;</li> <li>- commitment, through collaboration with competent ministries, to enhance the use of the two certification systems within the initiatives over Circular Economy and the New Green Deal.</li> </ul>	Ministry for Ecological Transition, in collaboration with other relevant Administrations	<p>Quant: resources number of certifications Quality: description and results achieved</p>
<p>20. In line with the EU Commission's forthcoming guidelines on biodiversity, the following measures are to be taken:</p> <ul style="list-style-type: none"> <li>● coverage over seabed and possible action on how to reconcile biodiversity targets in marine environments, including regulating by-catches of endangered species to be properly recovered;</li> <li>● intensified collection of by-catch data on all sensitive species;</li> <li>● fisheries management measures for all marine protected areas in accordance with clearly defined conservation objectives using the best available scientific advice;</li> <li>● on land consumption, urban regeneration and redevelopment of heritage, promote an efficient use of buildings for significantly reduced emissions, as well as enhanced protection of green areas: <ul style="list-style-type: none"> <li>- urban forestry;</li> <li>- digitalization of parks;</li> <li>- implementation of an advanced and integrated system for monitoring and preventing hydrogeological instability;</li> </ul> </li> <li>● on water, as envisaged by the PNRR, guarantee of sustainable management of water resources: this goal should be pursued through the development of primary water infrastructures, interventions for distribution networks and irrigation, sewage and purification systems.</li> </ul>	Ministry for Ecological Transition	Quality: description and results achieved
<p>21. Reaffirm as a priority the elimination of all forms of exploitation of child labour in Italy and with reference to the economic activities of Italian companies abroad, as provided for by the relevant ILO Conventions; to this end, encourage the dissemination among companies of initiatives aimed at increasing attention on impacts of business activities on children's rights and on the need for the inclusion of adequate remedies and mitigation measures as per the risk of violation of such rights. The inclusion of children's rights in business practices includes: the provision of "family friendly policies" designed</p>	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	<p>Quant: number of Quality: description and results achieved</p>



<p>to support workers in their role as parents/caregivers (smart working, paid parental leave, social protection and adequate wages for all); the introduction of measures to monitor the presence of minors in the workplace; the adoption of Child Safeguarding Policies/Codes of Conduct to foresee, report and take charge of potential risk situations for minors who come into contact with the company; the provision of security guarantees for digital environment (data protection, access to age-appropriate content, privacy protection).</p>		
<p>22. Encourage businesses in the dissemination of a culture of non-discrimination by:</p> <ul style="list-style-type: none"> <li>i) the promotion of agreements/protocols of understanding with trade unions and employers' organizations for common and synergic actions to prevent and combat forms of discrimination in the workplace and for the full inclusion of workers;</li> <li>ii) the collection of statistical data on discrimination in employment and <i>diversity management</i> practices in Italian companies;</li> <li>(iii) the promotion of good inclusive practices in the workplace;</li> <li>(iv) the promotion of socio-occupational inclusion of transgender people, also through information, training, accompaniment and support to self-entrepreneurship;</li> <li>v) the promotion of an action to involve Italian companies, in line with UN Standards Standards of Conduct for Business on Tackling Discrimination against LGBTI people, in order to prevent and countering discriminatory behaviors and conducts against LGBTIQ+ persons and ensuring the full enjoyment of their rights;</li> <li>vi) the promotion of socio-occupational inclusion of Roma, Sinti and Caminanti people in precarious socio-economic conditions also through actions aimed at starting employment diagnoses, planning of personalized support towards training and employment, promotion of active social policies to encourage participation in the labour market as well as opportunities and strategies for the development of entrepreneurial initiatives (such as, for example, accompaniment and support for business start-up and/or repositioning of economic companies operating in critical sectors);</li> <li>vii) the promotion of entrepreneurial policies and good practices on inclusion and diversity management, entailing the implementation and reporting of the Charter for Equal Opportunities and Equality at Work.</li> </ul>	<p>Presidency of the Council of Ministers - National Anti-Racial Discrimination Office; Equal Opportunities Department</p>	<p>Quant: number of good practices Quality: description and results achieved</p>
<p>23. Monitor the application of artificial intelligence in the workplace (e.g. recruitment mechanisms) for the purpose of assessing impact on human rights in terms of inclusion and non-discrimination.</p>	<p>Ministry of Foreign Affairs and International Cooperation</p>	<p>Quality: description and results achieved</p>
<p>24. Promote, with the assistance of the Inter-ministerial Committee for Human Rights, the collaboration with NGOs, as proposed by <i>Ossigeno per l'Informazione</i>, and in agreement with AGCOM, training for journalists and editorial managers on business and human rights.</p>	<p>Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights</p>	<p>Quant: number of Quality: description and results achieved</p>
<p>25. With regard to the OECD Guidelines and National Contact Point, Italy undertakes to:</p> <ul style="list-style-type: none"> <li>i) consolidate the promotion of compliance with the UNGPs by companies operating abroad, through an information tool for the diplomatic/consular network, in collaboration with the Ministry of Foreign Affairs and International Cooperation;</li> <li>ii) implement the OECD Guidelines through their promotion among companies with particular regard to human rights dimension, and consolidate the constant dialogue with companies, trade unions, NGOs</li> </ul>	<p>Ministry of Economic Development</p>	<p>Quality: description and results achieved</p>

and representatives of civil society.		
26. Promote the dissemination of EU and international Due Diligence standards to businesses.	Ministry of Economic Development	Quality: description and results achieved
27. Directly involve businesses - companies and associations, also at the local level - in order to define the best ways to communicate and disseminate expectations on human rights in line with the NAP.	Ministry of Economic Development	Quality: description and results achieved
28. Develop guidelines for companies (with particular regard to SMEs) and guidance tools related to different productive sectors, in line with the activity aimed at disseminating guidance tools developed by the OECD, the European Union and other international organizations (IOM).	Ministry of Economic Development	Quality: description and results achieved
29. Promote and encourage multi-stakeholder initiatives involving large as well as small and medium-sized companies in order to facilitate the exchange of information and good practices on business and human rights, moving from a general mapping over companies endorsing the UNGPs and operating in accordance with international standards.	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	Quant: number of Quality: description and results achieved
30. Promote international framework agreements developed by trade unions.	Ministry of Labour and Social Policies	Quant: number of Quality: description and results achieved
31. Promote the culture of respect for human rights by businesses through analysis and cooperation with the academia, research bodies, <i>think-tanks</i> .	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	Quant: number of Quality: description and results achieved
32. Participate in relevant OECD, European Union and other international initiatives on sustainable supply chains, human rights and Due Diligence.	Ministry of Economic Development, Ministry of Foreign Affairs and International Cooperation, Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	Quality: description and results achieved
33. Promote the OECD document "COVID-19 and Responsible Business Conduct", in line with Italy's adherence to the <i>Joint Statement in support of the full development of NCP skills</i> , the <i>Business at OECD</i> (BIAC), OECD Watch and TUAC and the call launched in May 2020 for the implementation of the OECD Guidelines for Multinational Companies.	Ministry of Economic Development	Quality: description and results achieved
Italy undertakes to carry out the following activities, ensured through coordination between the Inter-ministerial Committee for Human Rights and ANAC for: 34. through new mechanisms of monitoring and recognition of business activities, provide for an analysis of the Due Diligence of public or state-controlled companies, including non-financial reporting;	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	Quality: description and results achieved
35. continuing the promotion and protection of human rights, with a proactive role of the Inter-ministerial Committee for Human Rights, in correlation with the priority lines introduced in the framework of the PNRR and the SNSVS, including - among others - issues such as anti-corruption, non-financial information disclosure, supply chain, environmental issues, decent work and non-discrimination in favour of competing companies in public calls for tender and within contracts stipulated with companies for the purchase of goods and services, with particular regard to (i) Italian companies operating abroad; (ii) Italian	Ministry of Economic Development, Ministry of Foreign Affairs and International Cooperation, Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights, ANAC	Quant: number of Quality: description and results achieved

companies using foreign suppliers; (iii) foreign companies;		
36. promote the use of distributed ledger technologies, such as blockchain, to facilitate the traceability of products and services along global supply chains, including at sectoral level and in coordination with International Organizations.	Ministry of Economic Development	Quality: description and results achieved
37. Fully implement Regulation (EU) 2017/821 establishing supply chain Due Diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold, originating in conflict or high-risk areas.	Ministry of Economic Development	Quality: description and results achieved
38. Further promote awareness of the OECD Guides on Due Diligence for Companies Operating in Weak Governance Zones (the "Risk Awareness Tool for Multinational Companies in Weak Governance Zones" and the "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas").	Ministry of Economic Development	Quality: description and results achieved
39. Include respect for human rights by businesses through specific projects designed and developed through the Italian Agency for Development Cooperation in areas of armed conflict (or high risk) that include awareness raising and capacity-development activities.	Ministry of Foreign Affairs and International Cooperation	Quant: number of projects Quality: description and results achieved
40. Strengthen the action of the Italian Cooperation on gender equality, including through support to the economic development of women in post-conflict situations in line with the three UN Pillars (peace and security, development and human rights) and in the context of the legislative and programmatic framework of UN Security Council Resolution 1325 "Women, Peace and Security" and Fourth National Action Plan on Women, Peace and Security adopted by Italy in 2020.	Ministry of Foreign Affairs and International Cooperation	Quant: number of projects Quality: description and results achieved
41. Confirm Italy's commitment to microfinance initiatives that favour and support local entrepreneurship in development cooperation partner countries.	Ministry of Foreign Affairs and International Cooperation	Quant: number of projects Quality: description and results achieved
42. Preparation - by and/or in collaboration with the Inter-ministerial Committee for Human Rights - of spaces and activities for awareness raising and training on human rights and business (with particular attention to the so-called vulnerable categories (women, minors, persons with disabilities, LGBTIQ+ persons, minorities, migrants, etc.) designed as tools for support to businesses and public officials. These tools may consist in the preparation of governmental webpages to host dedicated information material, as well as in the development of campaigns, surveys, e-learning modules and ad hoc seminars. The latter will be defined in relation to specific competences and activities of each Ministry, as well as in constant dialogue with local authorities and all stakeholders who wish to take part in these initiatives.	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights, in collaboration with the other competent Administrations	Quant: number of projects Quality: description and results achieved
43. Promote an open and constructive dialogue with States for the exchange of knowledge and good practices regarding voluntary review models of National Action Plans on Business and Human Rights, including through <i>peer review</i> mechanisms.	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	Quant: number of projects Quality: description and results achieved
44. Support initiatives in all major international systems with the aim of developing tools to promote and strengthen 'fair competition' for the promotion and protection of human rights, including through the use of Due Diligence mechanisms, and foster the exchange of experiences with partner countries, both at European and international level, and with international organizations such as the United Nations, UNECE, OECD, ILO, UNICEF, IOM and the European Union.	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	Quant: number of projects Quality: description and results achieved
45. Continue and strengthen support for Global Compact activities and corporate adherence to its standards.	Ministry of Foreign Affairs and International Cooperation	Quant: number of projects Quality: description and results achieved

	Cooperation	and results achieved
46. Strengthen support, at international and European level, for the promotion and inclusion of social and environmental sustainability clauses in international and trade and investment treaties.	Ministry of Economic Development, Ministry of Foreign Affairs and International Cooperation	Quant: number of... Quality: description... and results achieved
47. Promote the use of distributed ledger technologies such as blockchain to facilitate the traceability of products and services, including at the sectoral level and in coordination with international organizations.	Ministry of Foreign Affairs and International Cooperation	Quality: description... and results achieved
48. Disseminate principles adopted in relation to emerging technologies such as artificial intelligence for human rights compliance with a Due Diligence approach.	Ministry of Foreign Affairs and International Cooperation	Quality: description... and results achieved
49. Continue to support and promote in a multi-stakeholder framework the Guidelines on Business and Human Rights Defenders, through eventually of a pilot programme with the active participation and collaboration of a selected and significant group of Italian companies and civil society organizations.	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	Quant: number of... Quality: description... and results achieved
50. Contribute, through exchange with governments and social partners, to good practices and common strategies to support the application of Due Diligence mechanisms in the debate on "Decent Work in the Global Supply Chain" promoted by ILO.	Ministry of Labour and Social Policies	Quant: number of... Quality: description... and results achieved
51. In the framework of the monitoring action foreseen in the present NAP, the following priorities are established: (i) undertake an up-to-date mapping of the national legal framework on corporate responsibility for human rights, any available remedies, and subsequently develop practical guidance; (ii) identify any gaps or barriers that prevent or render less than fully effective access to judicial remedies for victims of business-related abuse, especially with respect to extra-territorial violations, including on the basis of the relationship between primary and subsidiary companies; (iii) reconsider the introduction of legislative measures or the reform of those currently in force to strengthen access to an effective remedy in the fields of civil, criminal and administrative law.	Ministry of Justice, Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	Quality: description... and results achieved
52. As part of the overall reform of the judicial system, raise awareness of: (i) remedies against the excessive length of civil proceedings; (ii) measures to strengthen specialized courts for companies, including by extending their jurisdiction to actions for consumer protection, unfair competition, misleading advertising; (iii) introduction of criminal law provisions against economic crimes, including those committed abroad.	Ministry of Justice	Quality: description... and results achieved
53. Design and implement, with the assistance of the Inter-ministerial Committee for Human Rights, training courses for judges and lawyers of business and human rights, including through the collaboration of the National Forensic Council and third parties with expertise in the field.	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights, Ministry of Justice	Quant: number of... Quality: description... and results achieved
54. Ensure an adequate level of resources dedicated to legal aid, and ensure access to free legal aid also for non-resident foreign nationals, in particular for irregular migrants who are victims of crimes committed by criminal organizations, such as trafficking in human beings, and enable them to report such crimes regardless of their status.	Ministry of Justice	Quant: Resources
In line with operational instruments already described in the first NAP, and which are still in force, provide for the following actions concerning non-judicial mechanisms for denouncing human rights	Ministry of Foreign Affairs and International Cooperation-Inter-	Quality: description... and results achieved

violations by companies: 55. The introduction of the issue of human rights violations by companies in the mandate of the Independent National Commission on Human Rights;	ministerial Committee for Human Rights	
56. Renewed and broader information, especially for stakeholders as victims, of the mechanism of 'Specific Instances' to the NCP, in relation to alleged human rights violations by companies;	Ministry of Economic Development	Quality: description and results achieved
57. The launch, also through the diplomatic and consular network and with the involvement of the Italian Chambers of Commerce abroad, of awareness campaigns on non-judicial complaint mechanisms, in collaboration with the Ministry of Foreign Affairs and International Cooperation;	Ministry of Foreign Affairs and International Cooperation	Quant: number of Quality: description and results achieved
58. The provision of mechanisms for coordination and cooperation with many ombudsmen active at local and national level, in order to raise their awareness in the activities of protection and advocacy against human rights abuses by businesses;	Ministry of Justice	Quant: number of Quality: description and results achieved
59. With reference to the ADR (Alternative Dispute Resolution) model, raise awareness of it through training for citizens and professionals.	Ministry of Foreign Affairs and International Cooperation-Inter-ministerial Committee for Human Rights	Quant: number of Quality: description and results achieved

## ANNEX 2

### SUMMARY OF THE RESULTS OF THE ASSESSMENT CONCERNING THE IMPLEMENTATION OF THE FIRST PAN BHR

During 2021 the process for the compilation of the second NAP was started, based on the structural, material and formal parameters provided by the Guidelines prepared for this purpose by the UN BHR Working Group.

To this end, a public consultation open to all interested stakeholders was planned and realized: the results, completed by contributions from the GLIDU, were relevant for assessing the implementation outcomes of the first NAP and, as mentioned, for drafting the structure and contents of the second NAP.

The consultation was carried online on the CIDU website through a questionnaire, articulated in five questions, open for 30 days between the months of March and April 2021. Eighteen entities participated in the consultation: ActionAid Italia; AVSI; Campagna Abiti Puliti; CNH Industrial; CNR-IRISS; Confindustria; ENEL S.p.A.; Federazione Organismi Cristiani Servizio Internazionale Volontario - FOCSIV; Fondazione Global Compact Network Italia; Fondazione Pangea Onlus; Human Rights International Corner ETS (HRIC); In Difesa di; Mani Tese; Oxfam Italia; Save the Children Italia; The Good Lobby Italia.

The main results for each of the proposed questions are summarized as follows.

*1. What overall results have been achieved in the implementation of the first BHR NAP according to the UN Guiding Principles on Business and Human Rights?*

On a general note, there has been a growing awareness on the part of businesses and public opinion on a complex issue that takes a long time to change behavior.

With particular reference to companies, greater attention has been paid to the responsibility of respecting human rights and Due Diligence along the entire supply chain in several countries where business activities are carried out. It has been deemed necessary to ensure the accompaniment of companies in their growth on issues such as social value and sustainability, for example by enlarging the number of companies that have voluntarily published non-financial information in their financial statements and encouraging them to adopt new communication approaches regarding ecological footprint of their products and production processes.

*2. What are the good practices adopted by stakeholders, in line with the measures of the first NAP BHR?*

In line with contributions received during the consultation it undoubtedly emerges greater attention to the impact of business activities on human rights by both institutional and economic actors. This approach must be encouraged along global supply chains jointly with the strengthening of information and communication tools regarding processes of internal assessment of companies with regard to Due Diligence and related monitoring procedures involving clients, in order to check possible violations of human rights.

Two further relevant aspects also emerged: typical conditions of countries at high risk, depending on the introduction of strict contractual clauses for trade transactions in such contexts - also in line with Regulation (EU) 2017/821 on minerals from "conflict or high risk areas"; the obligation of Due Diligence in relation to the import of minerals.

*3. What challenges persist with respect to the content and measures of the first BHR NAP?*

Challenges of the country-system with regard to the implementation of the first BHR NAP were addressed in the consultation and prompted some interesting reflections of a legislative and administrative, programmatic, structural and operational nature.

For example, reference was made to the need to complete the domestic legislative framework through the adoption of positive legal instruments that introduce the obligation of Due Diligence of companies regarding respect for human rights throughout the supply chain and the full implementation of ILO Convention No. 190 on the prevention of violence and harassment in the workplace along global supply chains. Similarly, the opportunity has been identified to insert a clause of respect for human rights permanently in the Code of Public Contracts, to be consequently made operational by every Italian contracting station, with particular regard to Italian companies that use foreign suppliers, and finally the introduction of measures that anchor funding and support provided by CdP-SACE-SIMEST to Italian companies that want to expand to the commitment, monitored, of companies to respect human rights.

From the programmatic point of view, it was hoped that there would be an appropriate correlation between the commitments of the NAP and recommendations addressed to Italy in the framework of the Universal Periodic Review mechanism, and the link between the BHR NAP and the Global Compact for the monitoring of Italian companies adhering to it, as well as between the BHR NAP and the ESG process, which is receiving increasing attention from the business front.

In structural terms, two main challenges have been the creation of an NHRI and a national network on BHR, also to favour the institutionalization of ad hoc spaces for consultation, comparison and participation.

Along the operational dimension, it has been suggested to encourage and make systematic measures of literacy of companies on processes of corporate Due Diligence on human rights, to orient Italian companies abroad through advocacy and awareness actions and meetings among companies, to assist them by the Italian Chambers of Commerce abroad.

Finally, a number of thematic proposals were formulated concerning the contents of the first NAP: the greater protection of the rights of children and young people, starting from the value chain of companies up to the impact of their activities and products on the market and the community, in line with Goal 8.7 of the 2030 Agenda for Sustainable Development; the increased attention to human rights defenders, for example in the environmental dimension; the relevance of new trends regarding contractual working conditions as a result of the gig-economy; and the relevance of the relationship between BHR and Covid-19 and between BHR and environmental/climate issues.

The last two questions

*4. Are there additional thematic and operational issues that should be included in the second BHR NAP?*

*5. Additional considerations and comments*

formed the primary basis for compiling the content of the second BHR NAP.