

# CONFERENCE REPORT

## Business and Human Rights: Corporate Social Responsibility

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COUNCIL OF EUROPE



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# 1. Topic Overview

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The conference, co-organised with the Office of the Human Rights Defenders, marked a step in Armenia's journey toward aligning its development ambitions and international investments with human rights standards. As global markets increasingly integrate environmental, social, and governance (ESG) criteria into investment decisions, Armenia is considering the most optimal ways to ensure that its economic strategies are aligned with human rights and environment safeguards. This is a key factor in maintaining investor confidence and attracting responsible foreign capital.

In today's global economy, risks such as climate degradation, labour exploitation, and weak regulatory enforcement can pose significant financial and reputational risks for investors. Thus, the conference served as a forum to discuss how to accelerate policy reforms and institutional restructuring that ensure both rights protection and investment sustainability.

The discussions underscored that ensuring a stable investment climate requires more than macroeconomic indicators, it demands a solid regulatory framework that enforces responsible business conduct. One of the discussed theme was the need for Armenia to develop a dedicated National Action Plan (NAP) on Business and Human Rights, grounded in the UN Guiding Principles on Business and Human Rights (UNGPs) and CoE [Recommendation CM/Rec\(2016\)3](#) of the Committee of Ministers to member States on human rights and business. Interventions by representatives of France, the Netherlands and Belgium provided practical insights on the process of the NAPs development implementation and points for consideration during this process. Speakers from Germany, France along with international experts shared their vision on the role of the due diligence laws as well as human rights clauses in trade and investment agreements for foreign investments sustainability.

A notable focus was placed on the human rights and environmental dimensions and the importance of environmental impact assessment through the lens of the case law of the European Court of Human Rights (ECtHR).

Crucially, the conference addressed the intersection of investment and human rights, exploring how laws, oversight, and contractual obligations must evolve to ensure that incoming investments promote rather than undermine sustainable development.

At the same moment the protection of investments was discussed, highlighting key ECtHR jurisprudence on taxation and the enforcement of awards in investor – state dispute settlement (ISDS).

## 2. Key Insights

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The discussions underlined the following elements as crucial for sustainable economic development, secure climate for investments and their acceptance by affected societies.

### 2.1. Human Rights Embedding

The lack of systematic integration of human rights into business practices, especially in attracting large investments, was identified as a persistent gap. Labor rights violations, environmental harm, and governance deficiencies present material risks to investors and society. National development strategies must internalize these risks and enforceable legal mechanisms shall be strengthened to allow the sustainability of the economic development, protection of foreign investments and respect of local communities. The new approach in international investment regulation, which places human rights arguments at the forefront of Investor–State Dispute Resolution (ISDR), should be properly reflected in bilateral investment treaties (BITs).

### 2.2. Holistic Strategy for Economic Development and Investments

Countries with developing economies may lack a coherent and cohesive regulatory framework specifically addressing human rights and environmental protection in the light of such economic development. Although human rights considerations are reflected in broader strategic documents, their fragmented implementation risks undermining a truly holistic approach. To address this a comprehensive and actionable NAP should serve as guidance within the state’s economic development and foreign investment strategies, providing the investors with predictability and a level playing field.

### 2.3. Strong Institutions

The role of the Human Rights Defender’s Office, which now includes a specialized division for business-related complaints and advocacy, was recognized as essential. Strengthening this office’s investigative and advisory capacity is crucial for protecting affected communities and garnering the trust of businesses. There is a need for transparent enforcement, predictable dispute resolution, and strong and professional

institutions to safeguard rights across various economic sectors.

## 2.4. Environmental Regulation and Investment

Often the balance between economic growth and environmental protection is contentious. Clear, enforceable regulatory environment is vital for attracting green and sustainable investment and avoiding conflict. Investors increasingly assess environmental risks as part of their due diligence. It is important that such assessment is performed not only on the basis of the national regulation, but existing international standards, some of which are formulated in the case-law of the European Court of Human Rights.

## 2.5. Alternative Dispute Resolution (ADR)

ADR mechanisms such as mediation and arbitration were identified as important tools for resolving business-related human rights disputes. These mechanisms provide investors and rights-holders with faster, more accessible pathways to just satisfaction, while reducing the caseload of national courts.

# 3. Conclusions

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Economic growth and human rights protection are not in conflict; they can be mutually reinforcing. By embedding human rights into their development and investment agendas, states can chart a path toward sustainable, inclusive, and competitive growth that benefits all stakeholders. To this end, strong national frameworks are essential to provide legal certainty for investors while safeguarding the rights of workers, communities, and the environment.

International cooperation, particularly with the Council of Europe, OECD, EU, and UN, is vital to equip states with technical expertise, benchmarks, and financial support. A formalized multi-stakeholder platform can further serve as a hub for information, best practices, and exchanges among diverse actors.

Guidelines, training, and outreach initiatives are also crucial to raise awareness and build capacity across both the public and private sectors. They help individuals understand their rights and responsibilities, support businesses in meeting human rights standards, and reduce legal and reputational risks, all while contributing to a more transparent, accountable, and investment-friendly environment.

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