Corporate Sustainability Due Diligence

INTERNAL POLICY
- Explicit adherence to ***DUTY OF CARE*** (i.e.: avoid adverse impact on human rights and environment)
- Includes Code of conduct for (i) employees and for (ii) business partners
- Includes policy on how to identify impacts of (chain of) business activities
- Includes policy on how to deal with adverse impacts
- Integration of policies into overall internal policies & risk management systems
- Publish policy

PREVENT AND MITIGATE ADVERSE IMPACTS
- Concerns both potential and actual impacts
- Establish action plan for identified adverse impacts, including (i) time lines, (ii) measures, (iii) financial substantation and (iv) consequences for business partners
- Measures have to be appropriate and proportionate (for company itself, its stakeholder and for business partners)
- Contractual assurances in relation to business partners (EU is to propose contractual clauses)
- Remediation for affected persons and communities

MONITORING
- Done by company itself
- Monitoring of (i) due diligence and (ii) effectiveness prevention & mitigation plan
- In consultation with stakeholders
- Every 12/24 months (EU/NL proposal)

COMBAT CLIMATE CHANGE
- Company to contribute to limiting global warming in line with Paris Agreement and achieve climate neutrality by 2050
- Set-up internal action plan in order to reduce emmissions throughout (chain of) business activities
- Adjust business plans and strategy accordingly
- Specialis of general duty of care

ANNUAL REPORTING ON
- Internal policy on duty of care and on climate change
- Action plans for duty of care and on climate change
- Execution of policies and action plans, measures taken
- Remedies proposed and/or executed
- Conclusions of monitoring
- Complaints filed

INTERNAL POLICY → IDENTIFY IMPACT → PREVENT & MITIGATE → MONITOR → COMPLAINTS PROCEDURE → CLIMATE CHANGE → REPORT → GOVERNMENTAL SUPERVISION & ENFORCEMENT

ONGOING PROCESS OF DUE DILIGENCE
- Ongoing research on chain of business activities of company itself, subsidiaries, business partners (upstream and downstream)
- Collect data
- Analyse data
- Identify potential and actual adverse impac ts on human rights and environment
- Prioritisation of risks is allowed

COMPLAINTS PROCEDURE
- Complaints procedure organized at the company and managed by the company
- Facilitates persons and organisations (including civil society organisations active in the protection of human rights or environment) to file complaints on potential and actual adverse impacts
- Fair, accessible and transparent procedure with clear timelines
- Confidentiality for complainant(s)

SUPERVISION AND ENFORCEMENT BY AUTHORITIES
- Governmental supervisory authority per Member State (for NL: ACM)
- Network of EU supervisory authorities for cooperation
- Inspection and investigation powers for supervisory authority
- Persons and organisations may file concerns on non-compliance with supervisory authority
- Mostly administrative enforcement tools (penalties, obligations to (un)do, imposing (interim) remediation measures)
- Criminal offence in case of breach of reporting obligation (for NL)
- Civil law liability for non-compliant company (including right for damage compensation)
- Each company to appoint an authorised representative to communicate with supervising authority