

Summary of the webinar: “Sustainable Corporate Governance Initiative - Due Diligence Principles and Practical Experience”

Date: 26.1. 2022

Recording: https://youtu.be/8Jy_aHEhceA

Presentations: <bit.ly/3ocNz mh>

Key points:

- In the context of the EU's sustainable finance strategy, sustainability **due diligence is one of the pre-conditions for sustainable activities as defined by the EU Taxonomy Regulation and green financing under the SFDR, including green bonds.** France, Norway and Germany have adopted legislation that requires large companies to carry out due diligence with respect to all of their activities and business relationships.
- The European Commission is planning to publish a proposal for EU-wide legislation in February 2022, with the objective to harmonise the diverging national requirements, and provide a level-playing field, which would benefit in particular companies with domestic value chains as well as responsible global businesses. The directive is likely to be negotiated during the Czech presidency.
- **Business experience with due diligence shows positive effects on a company's performance and growth.** Companies witness less fluctuation in their supply chains, higher resilience to a crisis, and improved relationships with investors and financial institutions.
- Due diligence is a risk-oriented process, which helps companies to identify and **focus on salient human rights issues (e.g. child labour).** In most sectors, human rights risks are predictable, which makes it easy for companies to identify whether they are or are not exposed to such typical risks of severe impacts.
- If a company is connected to potential or actual severe impacts, **it should take appropriate action based on the company's position, its involvement in adverse impacts, and its ability to influence these impacts.** For example, good due diligence practice in high-risk supply chains (e.g. cotton, palm oil) means that the company knows its chain, assesses new suppliers, and engages with them.

Speakers:

Lucie Slavíková, Ministry of Justice, Czech Republic

Rachel Davis, Shift

Susanne Gasde, Federal Ministry of Labour and Social Affairs, Germany

Filip Gregor, Frank Bold

Théo Jaekel, Corporate Responsibility Expert, Ericsson

Bettina Roth, Head of Quality Management & CSR Supply Chain, Vaude

Julien Lavarini, Responsible Supply Chain Manager, Lorenz

Frank Bold:

[Frank Bold](#) is a purpose-driven law firm using the power of business and non-profit approaches to solve social and environmental problems. The organisation initiated the [Alliance for Corporate Transparency](#) project, which is analysing the corporate disclosure on sustainability issues by the 1000 largest companies operating in the EU. We are changing the current practice of sustainability reporting and related legislation on the EU level in cooperation with leading civil society organisations, progressive companies and other experts in the field.

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