The push for due diligence: Seeing like a company

Dr. Boris Verbrugge
Due diligence tailored to your business

While globalization creates opportunities for firms and employees, risks for human rights and for the environment persist in the supply chains of countless products and services. Due diligence allows you to understand and mitigate these risks.

CARRY OUT THE SELF-ASSESSMENT →

PUT DUE DILIGENCE INTO PRACTICE WITH OUR ONLINE MANUAL →
Proposal ‘Sustainable and responsible business conduct’

Loi relative au devoir de vigilance

2017

Proposal for regulation on prohibiting products made with forced labour

2021

Conflict minerals regulation

2022

Proposal for Corporate Sustainability Due Diligence Directive (CSDDD):
- Commission proposal launched Feb 2022;
- EU Council adopted position in Nov 2022;
- Triilogue between council, commission, and parliament expected in 2023.
- Entry into force at the earliest in 2025.

2023

Regulation on deforestation-free products

Battery regulation

2024

Corporate Sustainability Reporting Directive (CSRD)

2025
Dear Partner,

Sustainability is fully integrated in the FAURECIA core values and processes. As such, social, environmental and ethical business practices are key in our business relationship. As an integral part of the Faurecia Corporate Social Responsibility (CSR) policy, Purchasing has fully deployed a third-party assessment of our suppliers globally.

We remind you that a valid score is mandatory for all FAURECIA suppliers and for any award of new programs (the minimum score requested by FAURECIA on each of the 4 ECOVADIS pillars is 40 in 2022 and will be increase 5 points year by year).

We kindly request you to register on ECOVADIS platform and to proceed to a scoring campaign by providing information on your CSR Policy, Actions and KPIs.

We are expecting you to be scored in the following weeks.
Re-calibration of risk
A matter for the board
Guidance for Meaningful Stakeholder Engagement in the Extractive Sector

Reluctance to engage with critical stakeholders
Cascading responsibilities (and costs)

“Companies shall seek contractual assurances from a business partner with whom it has a direct business relationship that it will ensure compliance with the company’s code of conduct and, as necessary, a prevention action plan, including by seeking corresponding contractual assurances from its partners, to the extent that their activities are part of the company’s value chain (contractual cascading).”
Reliance on (defunct?) private governance mechanisms

“Industry cooperation, industry schemes and multi-stakeholder initiatives can help create additional leverage to identify, mitigate, and prevent adverse impacts. Therefore it should be possible for companies to rely on such initiatives to support the implementation of their due diligence obligations”
Sustainable procurement as a magic bullet
Prospects of (further) exclusion are real
Disengagement is happening!

- UK retailers cut $10 bln of contracts from unethical suppliers - Barclays
- Samsung follows Apple’s Lead and drops O’Film from their supply chain due to Human Rights Violations
- Nestlé Says It Will Drop Palm Oil Supplier Accused of Abuses
- Tesco drops avocado supplier after allegations of rights abuse
- Swiss gold refiners pledge to avoid Brazilian Amazon gold
Key lies in creating incentives for mutual engagement