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CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE ("CS3D")

The Sustainability Due Diligence Process



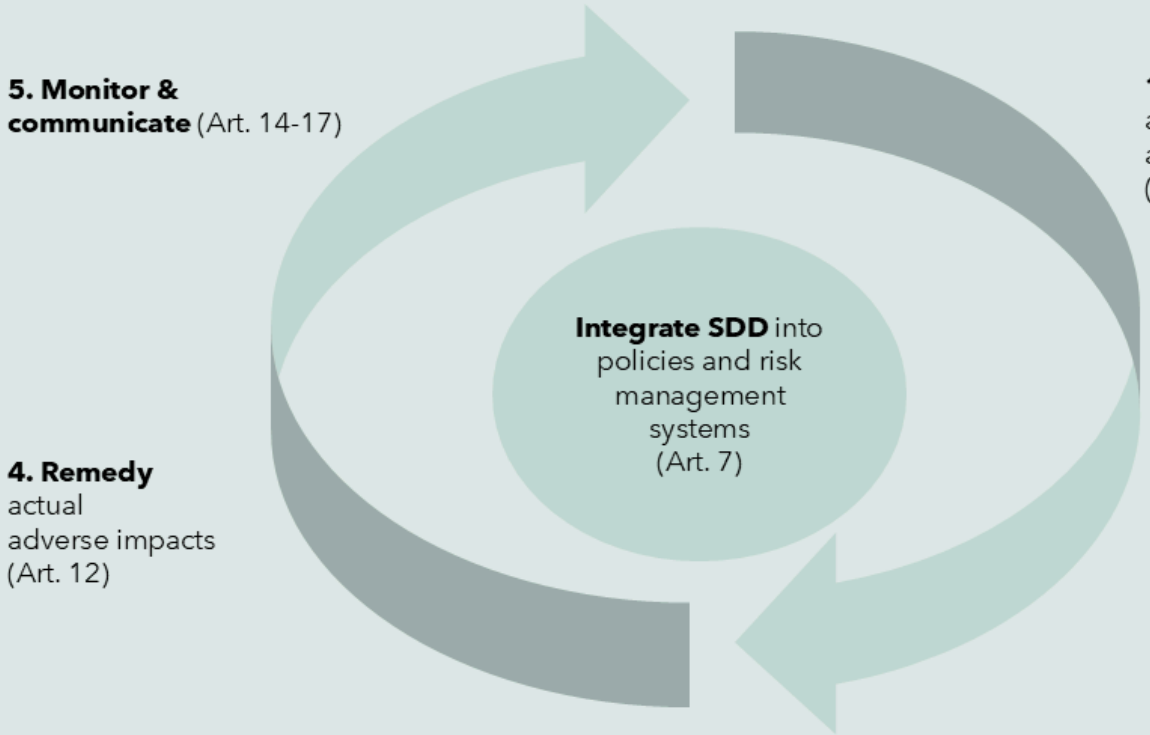
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The CS3D requires companies to conduct a *"risk-based human rights and environmental due diligence" (Art. 5)*

Sustainability Due Diligence (SDD) is a process designed to identify, prevent and remedy potential or actual adverse impacts of the company's operations on human rights and the environment.

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THE SUSTAINABILITY DUE DILIGENCE PROCESS





IDENTIFY

(ARTICLE 8)

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- **Obligation:**

Take measures to identify actual and potential adverse human rights and environmental impacts from operations, subsidiaries, and value chains.

- **Mapping operations:**

Companies must map their own operations, those of their subsidiaries, and those of their business partners in the company's "chains of activities", to identify general areas where adverse impacts are most likely to occur.

- **Consult with relevant stakeholders** (Article 13)



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PREVENT

(ARTICLE 10)

- **Obligation:**

Take measures to prevent or mitigate potential adverse impacts identified.

- **Prevention Action Plan:**

Develop a prevention action plan in consultation with stakeholders

- **Investment and Support:**

Invest in compliance and support for SMEs business partners facing challenges due to compliance.

- **Contractual Assurances:**

Seek assurances from business partners on compliance with codes of conduct and prevention action plan; and monitor compliance.

- **Refrain from Relations:**

Refrain from relations with partners connected with adverse impacts.



BRING TO AN END & REMEDY

(ARTICLE 11 AND 12)

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- **Obligation:**

Take measures to bring actual adverse impacts to an end, minimize their extent and remedy the negative impacts.

- **Actions Required:**
  - Neutralize adverse impact.
  - Develop and implement a corrective action plan with timelines and indicators, in consultation with stakeholders.
  - Seek contractual assurances from business partners and implement a cascading approach through the value chain.
  - Make necessary investments for compliance and support for SMEs.

- **Terminate or suspend the relationships.**



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