



Deutsche Industrie- und Handels-
kammer für das südliche Afrika
Southern African-German Chamber
of Commerce and Industry



Welcome

Information Session

Entering the European Market:
CSR, Due Diligence & ESG for
Ensuring Compliance in Your Supply Chain



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OPENING

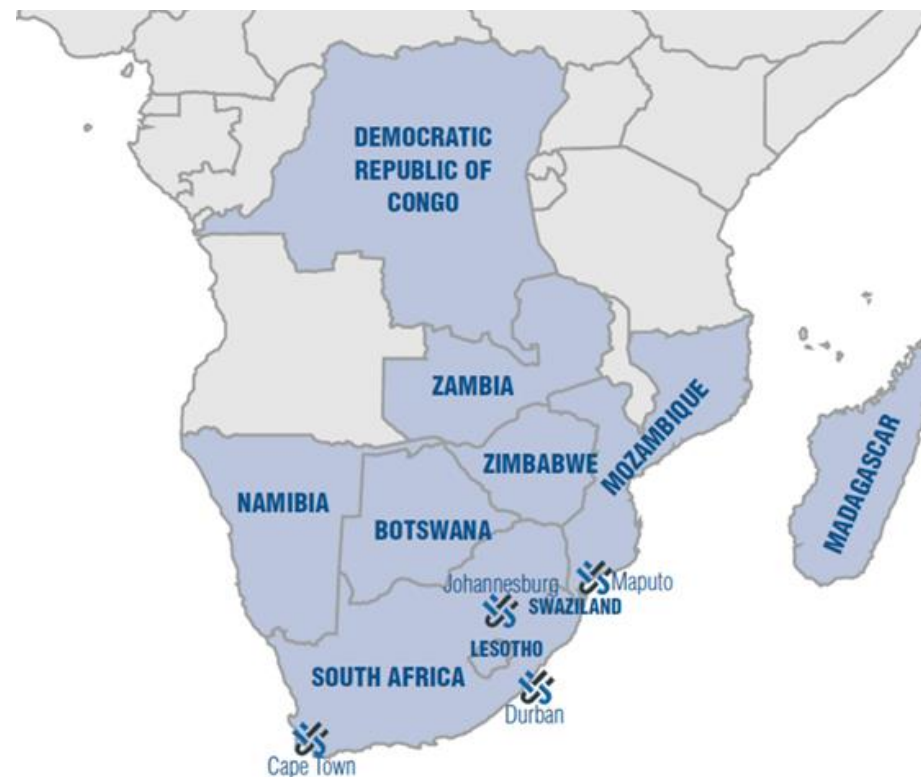
Mareike Brandt

Head of Competence Centre Sourcing
SA-German Chamber of Commerce & Industry



Competence Centre Sourcing @SAGCC

- Integrate companies into global supply chains
- Increase companies' exports
- Consultancy services
- Organisation of events
- Advice on financing and funding opportunities





Your experience – short survey

1. Your Sector and Subsector
2. Awareness of
 - LkSG - German Supply Chains Due Diligence Act
 - CBAM - European Carbon Border Adjustment Mechanism
 - EUDR - European Regulation on Deforestation-free products
3. Compliance and Implementation
4. Impact of Regulations
5. Support and Resources





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PRESENTATION

Eva Nolle

Co-founder and Director of Operations
Ceravoid (Pty) Ltd



Entering the European Market

CSR, Due Diligence and ESG for Ensuring
Compliance in Your Supply Chain



(Corporate) Social Responsibility

An organization's performance in relation to the **society** in which it operates and to its **impact** on the environment has become a critical part of measuring its **overall performance** and its ability to continue operating effectively.

ISO 26000:2010 Guidance on Social Responsibility



ISO 26000:2010

Guidance on Social Responsibility

The objective of social responsibility is to contribute to **sustainable development**.

An organization should consider the **environmental, social** and organizational **governance** aspects and the social responsibility of the organizations with which it **has or seeks** to have a relationship.





The **perception** and reality of an organization's performance on social responsibility can influence, amongst other things:

- its competitive advantage;
- its reputation;
- its ability to attract and retain workers, members, customers, clients or users;
- the maintenance of employees' morale, commitment and productivity;
- the view of investors, owners, donors, sponsors and the financial community; and
- its relationship with companies, governments, the media, suppliers, peers, customers and the community in which it operates.





[See the rating.](#)
[Shop Nina Nest.](#)

good on you™



[Discover more sustainable fashion brands](#)

9 newly rated brands 'We Avoid'

These brands are not doing enough for people, the planet, or animals, either due to a lack of transparency or of concrete action across their supply chains. They all received our lowest possible score of "We Avoid".

- [Lloyd](#)
- [Tous](#)
- [Weird Fish](#)
- [SWIMS](#)
- [FIVE CM](#)
- [Semir](#)
- [Youngor](#)
- [YesStyle](#)
- [Bruno Magli](#)



E

ENVIRONMENTAL

S

SOCIAL

G

GOVERNANCE



- Estimates place ESG-driven investment at greater than \$ 35 trillion in assets under management, and ESG-driven investments are on track to exceed **\$ 53 trillion by 2025**.
- Global sustainability investments now surpass **\$ 30 trillion**, up 68% since 2014.
- Nearly **nine out of ten** millennials report that they want their money to go to sustainable investments.
- Goldman Sachs pledged to take public only those companies that have **diverse boards**.
- Harvard's endowment is divesting itself from **fossil fuel companies**, as are those for Columbia, Georgetown, Rutgers, and the University of California.
- NASDAQ issued a rule requiring member companies to **publicly disclose** board-level diversity in a standardized method and explain if they do not have at least two diverse directors.



- 66% of companies and 58% of investors expect their ESG budgets to rise in the next five years, with 'Social' receiving greater allocation.
- 74% of companies feel they lack full ESG maturity.
- Over 80% of European investors and corporates do not feel fully prepared for upcoming ESG regulations.
- 77% of companies do not include responsible supply chains within their ESG programmes.





E is for Environmental



✓ **Impact on climate and greenhouse gas emissions**

✓ **Climate change risks**

✓ **Energy efficiency and use**

✓ **Air and water pollution**

✓ **Land contamination**

✓ **Hazardous materials and waste**

✓ **Water scarcity and waste management**

✓ **Site rehabilitation**

✓ **Biodiversity and habitat protection**

✓ **Ecological impacts**





G is for Governance



✓ **Alignment of interests
between executives and
shareholders**

✓ **Executive compensation**

✓ **Board independence**

✓ **Board composition,
including diversity**

✓ **Board oversight of ESG risks**

✓ **Systemic and critical risk
management**

✓ **Shareholder rights**

✓ **Transparency and
disclosure**

✓ **Anti-corruption**

✓ **Business ethics and
conduct**

✓ **Grievance Procedures**

✓ **Financial Policies**





S is for Social



✓ **Human rights and modern slavery**

✓ **Community impact and relations**

✓ **Local economic development**

✓ **Impact on indigenous peoples, including land rights**

✓ **Employee relations and welfare**

✓ **Talent attraction and retention**

✓ **Working conditions**

✓ **Discrimination and harassment**

✓ **Employee diversity**

✓ **Health and safety**

✓ **Consumer relations**

✓ **Data security and privacy**

✓ **Responsible marketing**

✓ **Responsible products and sustainability within supply chain**



- ✓ not granted by a State
- ✓ inherent to any human being
- ✓ universal and inalienable
- ✓ indivisible and interdependent

Universal Declaration of Human Rights



1. All human beings are free and equal
2. No discrimination
3. Right to life
4. No slavery
5. No torture and inhuman treatment
6. Same right to use the law
7. Equal before the law
8. Right to treated fair by court
9. No unfair detainment
10. Right to trial
11. Innocent until proved guilty
12. Right to privacy
13. Freedom to movement and residence
14. Right to asylum
15. Right to nationality
16. Rights to marry and have family
17. Right to own things
18. Freedom of thought and religion
19. Freedom of opinion and expression
20. Right to assemble
21. Right to democracy
22. Right to social security
23. Right to work
24. Right to rest and holiday
25. Right of social service
26. Right to education
27. Right of cultural and art
28. Freedom around the world
29. Subject to law
30. Human rights can't be taken away



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**Ethics
to
Compliance**





2017 Loi de
Vigilance

Lieferkettengesetz
2021

EU Corporate
Sustainability Due
Diligence Directive



“This Directive establishes a **corporate due diligence duty**. The core elements of this duty are identifying, bringing to an end, preventing, mitigating and accounting for negative **human rights** and **environmental** impacts in the company’s own operations, their subsidiaries and their **value chains**.”

EU Corporate Sustainability Due Diligence Directive





- **ownership control**

- subsidiaries

- **factual control**

- direct contracts
- where control could be exercised by the company through contractual cascading
- other leverage in indirect business relationships





"a measure of prudence or activity that is to be expected from a **reasonable and prudent** person under the particular circumstances; not measured by an absolute standard, but dependent upon circumstances of a **particular case**"

ASIS International



Due Diligence investigations may be required in any situation in which one or more parties expect to **change position** based on **apparent conditions** or on **representations** made by one or more other parties



An aerial photograph of a city, showing a complex highway interchange with multiple overpasses and ramps. The surrounding area includes residential buildings, green spaces with trees, and other urban infrastructure. The image is slightly faded to serve as a background for the text.

Security Risk Management

Protects company assets.

Exploratory or Informational Investigation

Identifies and explores situations that facilitate or support illicit activity rather than a specific criminal incident itself.



A hand is shown in the upper left corner, holding a single coin. The background features several stacks of coins of varying heights, scattered across a light-colored surface with a faint hexagonal grid pattern. The overall scene is brightly lit, creating soft shadows.

Company Assets

- People

- Property

- Information

- Reputation



Piggyback on existing programs

- Anti-Corruption frameworks
- Due Diligence questionnaires





Risk-based
approach

Industry

Jurisdiction



Risk Factors

- State's inability or unwillingness
- Political instability or repression
- Institutional weakness
- Insecurity
- Collapse of civil infrastructure
- Widespread violence
- Corruption



Primary Sources



Secondary Sources



ISO 26000:2010 - Guidance on Social
Responsibility

Due Diligence Guidance for Responsible
Supply Chains of Minerals from Conflict-
Affected and High-Risk Areas

**UN Guiding Principles on Business
and Human Rights**

OECD Responsible Business Conduct
Standards



The cost of being (un)ethical

- Direct loss through theft, fraud, corruption, asset misappropriation
- Defence costs
- Punitive damages
- Subsequent loss of income



Case Studies



UK, Malawi, Kenya

- assault and battery, rape, false imprisonment, and other serious mistreatment
- \$10 million on settlement and related suits



US & DRC

- Aiding and abetting in the deaths and serious injuries of children
- Apple; Dell; Alphabet; and Tesla
- March 2024: U.S. Court of Appeals held that the plaintiffs have standing to pursue damages claims, but not injunctive relief





Eva Nolle, CPP®, PCI®, CFE

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