Dispute Resolution

ALERT | 29 October 2024





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DISPUTE RESOLUTION ALERT

Human rights obligations arising from the EU's Corporate Sustainability Due Diligence Directive

The European Union (EU) recently adopted the Corporate Sustainability Due Diligence Directive 2024/1760 (CSDDD), which came into effect on 25 July 2024. Member states to the EU have until 26 July 2026 to implement this framework into their national legislation, which will finally come into play through a phased implementation approach over two to three years.

The CSDDD aims to promote a more ethical global supply chain industry with a focus on addressing human rights violations within business operations. EU incorporated companies as well as non-EU incorporated companies that satisfy certain criteria outlined in the CSDDD are required to implement risk-based due diligence measures to identify and address adverse human rights and environmental impacts which occur in their engagements, or the engagements of their subsidiaries, or business partners in their chains of activities inside and outside of Europe.

Companies will also have to develop transition plans for climate change mitigation to ensure that their business strategies are compatible with limiting global warming, and these transition plans should include emissions reduction objectives.

Failure to comply with the CSDDD will lead to civil liability and enforcement will be secured through administrative supervision through national supervisory authorities.

The CSDDD will affect a South African company if it is a subsidiary or part of the global value chain of a company inside or outside of the EU which is bound to the obligations envisaged in the CSDDD. South African companies are encouraged to consider the obligations set out in the CSDDD and ensure that they comply with it to avoid any reputational, legal or financial liability.

Marelise van der Westhuizen and Tanya Calitz



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BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

PLEASE NOTE

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