

True Diligence



With increasing pressure on businesses to 'do no harm', leaders need to ask themselves, 'what do we want to stand for as a business?'

This question poses huge challenges for businesses – one that often goes beyond what is 'legal' to what is 'moral'.

True Diligence is based on opinion research amongst 1,200 C-Suite leaders across six sectors (private equity, real estate, energy, transport and logistics, consumer and retail, and insurance) and six markets (France, Germany, Italy, Poland, Spain, and the UK), examining the impacts of activities, subsidiaries and across the value chain on both the environment (including climate) and human rights.

Minding the integrity gap



62% of organisations currently measure GHG emissions.



47% measure nature and biodiversity loss.



17% seek to identify human trafficking.



14% seek to identify slavery.



Just **one in five** organisations currently seek to identify harmful effects to livelihoods from environmental degradation.

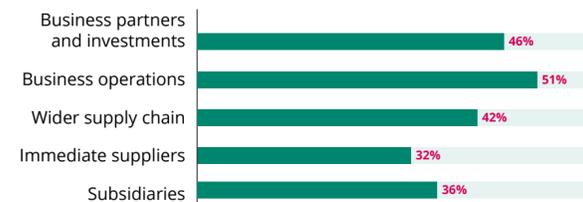
Chain inaction

Lack of supply chain transparency poses significant challenges for organisations seeking to measure their environmental and human rights impacts. The further companies move beyond their business operations, the further they get from 'true diligence':

Where businesses are measuring environmental impacts:



Where businesses are measuring human rights impacts:



Return on compliance

The cost of non-compliance:

The maximum penalty for non-compliance is **5%** of their global net turnover.



The positive return on compliance:

61% of UK leaders say the CSDDD will encourage them to invest or increase their investment in the EU.



“The risk resilience return on compliance far outweighs any downside investment in prioritising a greater depth of transparency and integrity across the value chain.”

The knowledge deficit

56%

56% of C-Suite leaders believe that **human rights impacts will not be taken as seriously** as environmental impacts across their industry.

58%

58% of CEOs believe their organisation **risks losing a significant proportion of its supply chain** due to a lack of compliance with the CSDDD.

65%

Two-thirds of CEOs (65%) say their organisation's leadership team is **too busy** handling immediate business priorities to put a plan in place to measure the human rights impacts.

Get in touch



Tracey Groves
Head of Sustainable Business & ESG.

M. +44 7842 324547

E. tracey.groves@dwf.law

The road ahead

There is a clear business case for mandatory environmental and human rights due diligence to deliver consistency and clarity. Businesses want to be held accountable and they are asking for certainty.

62%

62% of C-suite leaders say the CSDDD is the biggest incentive for organisations to assess the human rights impacts of business.

63%

63% say stronger penalties would be an important factor.

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Two-thirds of leaders say increased demand for preventing and/or mitigating human rights impacts from trading partners would be an important factor in accelerating their organisation's human rights due diligence process.

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