



Sustainability Due Diligence

S- Group's Perspective

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eurocoop.coop

info@eurocoop.coop



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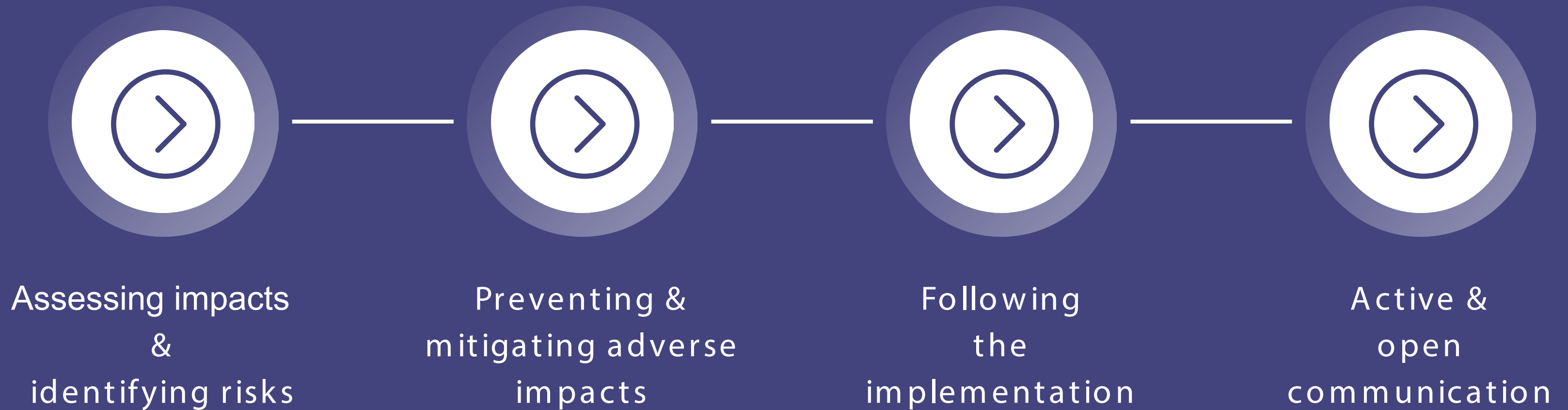
S Group's approach to sustainability due diligence



S Group is committed to respecting all internationally recognised human rights in line with the UNGPs and expects the same commitment from its partners.

- Without partners' same commitment, the due diligence directive will be **gaslighting**

S Group's Due Diligence Process



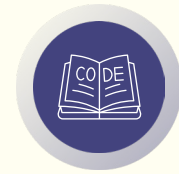
S Group's approach to sustainability due diligence

- ◆ Risks are assessed based on **severity & likelihood**
 - targeting measures at areas where the risks are highest
- ◆ The assessment of human rights impacts is a **continuous process**
 - S-Group has been doing it **long before CS3D**

Practical Tools



Contractual clauses



Code of Conduct



Training



Tools, auditing



Risk assessment



Capacity building

❖ **Deep dive** projects to better understand root causes behind human rights risks.

❖ **Key challenge** : Funding & expert capacity (skills, training, knowledge of the experts)



❖ **Power of collaboration** : 

- human rights risks can't be tackled by businesses or any actor **alone**
- **B2B collaboration** & multistakeholder cooperation are vital to achieve real impacts.

Food for Thought

- ◆ An efficient due diligence process means each actor in the supply chain has a role to play:
 - **Practical guidelines** needed to support all the actors
 - **Support** is needed for SMEs (**lack of capacity**)
- ◆ **Policy coherence:**

Alignment between different legislative proposals ensure efficient implementation of obligations among businesses.

 - This should be ensured between different legislations

Food for Thought

- ◆ Cooperation between businesses is the key in order to achieve long lasting, genuine impacts.
 - Cooperation must be possible when sustainability topics are discussed.
- ◆ Role of industry/ sector initiatives is crucial
- ◆ Future challenges:
 - transparency
 - harmonised data from complex supply chains (audited?!)
- ◆ ***How can we ensure this?***

Financial Services

- ◆ A few slides from
the **European Association of Cooperative Banks (EACB)**



Financial Services – Banks Perspective

- ◆ The CS3D requirements would be **difficult** to apply
 - they were far -reaching and unclear
 - difficult to define the value chain of financial services beyond tier 1 clients
 - high risk banks become liable for situations beyond their control
- ◆ EU banks are already subject to a wide array of legislation
 - anti money laundering
 - financial reporting
 - ESG rulesadding CS3D requirements seemed disproportionate.

Financial Services – Banks Perspective

- ◆ Banks will only need to assess their **direct upstream chain**
- ◆ **still not clearly** specified what is to be included in the direct upstream chain
- ◆ Banks will also need to adopt **transition plans**
 - **but** , if they already doing so under the CSRD, they are assumed to comply
- ◆ Nonetheless, they are **not** “off the hook”
 - still expected to heighten their due diligence
- ◆ The inclusion of banks’ downstream chain will be **reassessed soon**
 - No later than 2 years from the date of entry into force of the CS3D

Thank you for your participation!



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info@eurocoop.coop



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