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# CORPORATE SOCIAL RESPONSIBILITY

We advise companies on all legal aspects of Corporate Social Responsibility (CSR). CSR, or simply 'sustainability', is becoming increasingly important for all companies. Voluntary CSR actions create competitive advantages, facilitate access to credit and reduce economic risks. Yet the number of compulsory CSR obligations is also increasing.

Since 2017, the German law implementing the EU CSR Directive has required listed corporations with more than 500 employees to make non-financial reports. Companies in the EU have also had an obligation to exercise due diligence with respect to the import and use of timber (EU Timber Regulation) since 2013. As of 2021, this due diligence obligation will also apply to the import and use of specific minerals (EU Conflict Minerals Regulation).

At the end of 2016, the German Government adopted a National Action Plan (NAP) to implement the UN Guiding Principles on Business and Human Rights. This plan calls on companies to – voluntarily – conduct individual and ongoing due diligence and ensure that human rights are respected and that both their own actions and those of their suppliers are in line with human rights laws.

Starting in 2018, spot checks will be carried out to assess the level of implementation of the NAP. The aim is that at least half of all companies with more than 500 employees will have adopted corporate processes to implement the voluntary human rights due diligence obligations by 2020. If this target is not met, the German Government will examine whether additional measures are needed and will, if appropriate, adopt statutory provisions.

## WHAT SETS US APART

We provide practical advice, not social philosophy. Our experts are tightly networked with CSR specialists from companies, chambers of commerce and consultancy firms, are well versed in the specific legal issues of CSR, and are very familiar with both, the current status of implementation and implementation-related difficulties. We are the authors and editors of the first comprehensive German work on the relationship between CSR and the law (Daniel Walden and André Depping, "CSR and Law: Recognise and Understand the Legal Aspects of Sustainable Corporate Management", original title: "CSR und Recht. Juristische Aspekte nachhaltiger Unternehmensführung erkennen und verstehen", 2015). With our office in Brussels, we are also able to ensure that our team is always aware of the most recent EU actions - the drivers in CSR. In addition, our experts regularly exchange views and information with our global partner firms on the diverse national rules in this field.

## CSR concept and code of conduct

Our significant experience and know-how allow us help you develop and implement the right CSR concept for your company. This includes, for example, designing or reviewing your company's code of conduct, formulating CSR terms and conditions for suppliers, and providing training on international issues or sector specific frameworks.

## Good corporate governance and the liability of corporate officers

We provide comprehensive advice to managing directors and executive and supervisory boards on which CSR measures fall within their discretionary powers in light of the specific circumstances of their company. We clarify which CSR measures may be necessary in order to ensure that fiduciary duties are met or to avoid the risk of personal liability.

## Non-financial reporting

Our team advises large, listed corporations, which have more than 500 employees and which are subject to non-financial reporting requirements under the German law implementing the CSR Directive, as well as small and medium-sized companies that are only indirectly affected by these obligations.

## Human rights due diligence

We help our clients fulfil their human rights due diligence obligations under the NAP, assisting them with the implementation of all required elements:

- Mission statements on respect for human rights

## LEGAL AREA CORPORATE SOCIAL RESPONSIBILITY

- Procedures designed to identify any actual or potential adverse impact on human rights
- Measures to prevent and mitigate any adverse human rights impact, as well as further processes designed to review the effectiveness of these measures
- Reporting
- Complaint mechanisms

## International business

CSR requirements have long been on the agenda for international business:

- The US Dodd-Frank Act (2010) requires all companies that are listed on a US stock exchange to disclose whether they used conflict minerals in their products.
- Under the UK Modern Slavery Act of 2015, all companies which have an annual turnover of more than GBP 36 million and carry out at least part of their business in Great Britain must make a 'slavery and human trafficking' statement.

We work closely with our international network of partner firms to advise on these and other country specific CSR requirements.

## Crisis situations

It is vital that you act swiftly whenever you discover that the actions of your group or your suppliers have adversely impacted on human rights. Claims for damages, negative media coverage and damage to reputation can quickly escalate to alarming levels. We can advise you on how best to deal with all stakeholders in such situations. In particular, we assist with the adoption of measures designed to cease and mitigate any adverse impact on human rights, such as by terminating business relationships, and regulate any ensuing damages. Where necessary, we represent your company in civil damages procedures. Finally, we work closely together with our D&O specialists to provide you with support where there are indications that members of your executive or supervisory boards may be liable for damages.