

MVO Platform

**A bill introduced by the members Van der Graaf, Van Dijk, Thijssen, Van der Lee, Koekkoek and Hammelburg providing for rules regarding due diligence in value chains to combat violations of human rights and the environment in the conduct of foreign trade
(the Responsible and Sustainable International Business Conduct Act (*Wet verantwoord en duurzaam internationaal ondernemen*))**

BILL

We, Willem-Alexander, by the grace of God, King of the Netherlands, Prince of Orange-Nassau, etc. etc. etc.

Greetings to all who shall see or hear these presents! Be it known:

Whereas We have considered that, also considering international principles, the European Climate Law and directives, rules on due diligence in value chains should be established to combat violations of human rights and the environment when conducting foreign trade;

We, therefore, having heard the Advisory Division of the Council of State, and in consultation with the States General, have approved and decreed as We hereby approve and decree:

CHAPTER 1. GENERAL PROVISIONS

Section 1.1 Definitions

This Act and the provisions based on it use the following definitions:

a. director:

1°. a member of the board of an undertaking;

2°. if it does not have a board, the managing director and, if such a position exists, the deputy managing director;

3°. other persons holding positions comparable to those referred to in 1° or 2°;

b. stakeholder: a person, a group of persons, one or more employees of an undertaking, or one or more communities or entities whose rights or interests are or may be directly affected by a lack of due diligence on the part of an undertaking or organisation whose objectives under the articles of association include promoting the interests of human rights or the environment;

c. foreign undertaking: an undertaking that has not been incorporated under Dutch law or the law of another European Union Member State and whose registered office is located outside the Netherlands and other European Union Member States;

d. subsidiary undertaking: a subsidiary undertaking within the meaning of Article 2(1)(10) in conjunction with Article 22(1) to (5) of the Accounting Directive;

e. authorised representative: a natural or legal person resident or established in the European Union that has been authorised by a foreign undertaking to act on behalf of that undertaking to ensure compliance with the rules under or pursuant to Chapter 2;

f. due diligence: the continuous process whereby undertakings investigate, prevent, mitigate or terminate the potential and actual adverse impacts of their activities and those of their business relationships on human rights and the environment in countries outside the Netherlands, which those undertakings can use to account for the way they tackle those impacts as an integral part of their decision-making

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process and risk management system, in accordance with the principles and standards of the OECD Guidelines for Multinational Enterprises;

- g. *large undertaking*: a large undertaking within the meaning of Article 3(4) of the Accounting Directive;
- h. *climate change*: changes in the climate that are directly or indirectly attributed to human activity, that change the composition of the atmosphere and that are observed in addition to natural climate variability during comparable periods;
- i. *medium-sized undertaking*: a medium-sized undertaking within the meaning of Article 3(3) of the Accounting Directive;
- j. *net turnover*: net turnover within the meaning of Article 2(1)(5) of the Accounting Directive;
- k. *OECD Guidelines for Multinational Enterprises*: guidelines for responsible business conduct by multinational enterprises, drawn up by the Organisation for Economic Co-operation and Development, including any amendments taking effect on the day when such amendments have to have been implemented;
- l. *undertaking*:
 - 1°. a legal person having one of the legal forms listed in Annex I to the Accounting Directive;
 - 2°. a legal person having one of the legal forms listed in Annex II to the Accounting Directive, fully consisting of undertakings having a legal form as referred to in 1°;
 - 3°. a regulated financial undertaking, regardless of its legal form; including any subsidiary undertakings;
- m. *the Minister*: the Minister for Foreign Trade and Development Cooperation;
- n. *board of directors*: the supervisory board if it is charged with the supervision of the day-to-day management of an undertaking or, if such a body does not exist, the person or persons holding equivalent positions;
- o. *Accounting Directive*: Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJEU 2013, L 182);
- p. *Rome II Regulation*: Regulation (EC) No 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations ("Rome II") (OJEU 2007, L 199);
- q. *regulator*: the Authority for Consumers and Markets, mentioned in Section 2(1) of the Act Establishing the Authority for Consumers and Markets (*Instellingswet Autoriteit Consument en Markt*);
- r. *value chain*: the entirety of an undertaking's activities, services, products, production lines, supply chain and customers, as well as the activities of its business relationships;
- s. *business relationships*: contractors, subcontractors or other legal entities in a value chain, including State entities, in any way linked to the undertaking's activities, including the financing, insurance or reinsurance of the undertaking.

Section 1.2 Duty of care for every undertaking

1. Any undertaking that knows or should reasonably suspect that its own activities or those of its business relationships may have adverse impacts on human rights or the environment in countries outside the Netherlands must:

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- a. take all measures that may be reasonably required of it to prevent such impacts;
 - b. to the extent that such impacts cannot be prevented: mitigate or reverse them to the extent possible and, where necessary, enable remediation;
 - c. if such impacts cannot be sufficiently mitigated: refrain from the relevant activity or terminate the relationship in so far as that may reasonably be expected from the undertaking.
2. Human rights or the environment are in any event adversely impacted if the following are used or present in the value chain:
 - a. restriction of the freedom of association and collective bargaining;
 - b. discrimination;
 - c. forced labour;
 - d. child labour;
 - e. climate change;
 - f. environmental damage;
 - g. unsafe working conditions;
 - h. violation of animal welfare regulations;
 - i. slavery; or
 - j. exploitation.

Section 1.3 Scope of application for undertakings abroad

1. This Act also applies to foreign undertakings meeting the requirements of Section 2.1.1(1) that are engaged in activities in the Netherlands or that market products in the Dutch market.
2. Foreign undertakings designate an authorised representative and provide the regulator with the representative's name, address, email address and telephone number.
3. Upon request, the authorised representative provides the regulator with a copy of the designation in Dutch.
4. Foreign undertakings enable the authorised representative to cooperate with, and comply with requests of, the regulator for the supervision of compliance with the rules under or pursuant to Chapter 2 by making adequate powers and resources available to him.

CHAPTER 2. DUE DILIGENCE

Part 2.1 General

Section 2.1.1 Scope of due diligence

1. This chapter and the regulations based on it apply to undertakings:
 - a. that engage in activities in countries outside the Netherlands; and
 - b. that are large undertakings.
2. For the calculation of the number of employees, employees working part-time or as agency workers for the undertaking are counted as full-time employees.
3. Undertakings must exercise due diligence in their value chain.
4. Pursuant to a regulation by the Minister, further rules may be set for working out the details of this chapter, regulations of an administrative nature and regulations that are subject to frequent change.

Section 2.1.2 Equivalent implementation of due diligence

1. The obligation of due diligence in the value chain is in any event fulfilled if the rules under or pursuant to this chapter are complied with.
2. Undertakings may fulfil the obligation of due diligence together with other undertakings if the joint implementation achieves at least the same result as envisaged with the rules under or pursuant to this chapter.
3. Joint implementation takes place:
 - a. after prior notification to the regulator;
 - b. stating the grounds for the assumption that the joint implementation is equivalent to the envisaged result of the relevant rule; and
 - c. while retaining an undertaking's individual responsibility to fulfil the obligation of due diligence.
4. The regulation by the Minister referred to in Section 2.1.1(4) may set further rules regarding the application of the second and third subsections or may preclude the application of joint implementation.

Part 2.2 Policy (step 1)

Section 2.2.1 Due diligence in the policy and policy document

1. Undertakings draw up a policy and lay it down in a policy document, in which they commit to the obligations to exercise due diligence in the value chain.
2. The policy document is prepared in consultation with, in any event, the stakeholders, experts and business relationships.
3. The policy document will in any event contain:
 - a. a statement in which the undertaking commits to respecting human rights and the environment and to applying due diligence in accordance with the OECD Guidelines for Multinational Enterprises;
 - b. a code of conduct describing the obligations and principles of due diligence that the undertaking's employees must comply with;
 - c. a description of the policy it has drawn up in relation to the detected risks of adverse impacts in its activities and those of its business relationships as referred to in Section 2.3.1;
 - d. the undertaking's due diligence plan, containing a specific description of how it will comply with the rules under or pursuant to this chapter in its activities and those towards its business relationships; and
 - e. a description of the activities it will terminate, with due regard to the regulations for terminating activities as referred to in Section 2.4.3(2) and (3).
4. Undertakings publish the policy document in an accessible manner on their website, on relevant local websites and in the undertaking's business locations, in both Dutch and English and in the local language.
5. Undertakings update the policy and policy document annually, paying attention to:
 - a. the changes and developments in their activities and value chain;
 - b. the changes and developments in the potential and actual risks of adverse impacts; and
 - c. the results of the monitoring referred to in Section 2.5.1.

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Section 2.2.2 Due diligence in the management system and business process

1. Undertakings place the responsibility for both policy implementation, including implementation in the management system and the regular business process, and policy execution with a director.
2. If an undertaking's variable remuneration is linked to a director's contribution to the corporate strategy and long-term interests in sustainability issues, his contribution to the preparation of and compliance with the climate plan referred to in Section 2.4.2 will also be considered.
3. Undertakings make adequate resources, including financial and human resources, available for the implementation and execution of the policy and policy document referred to in Section 2.2.1.
4. Undertakings will in any event communicate the policy:
 - a. internally, to the relevant employees, by means of information and training sessions, which will be repeated periodically; and
 - b. externally, to the other stakeholders, experts and business relationships.
5. Where relevant, undertakings include conditions in agreements with business relationships to obtain guarantees from the business relationships regarding compliance with the code of conduct referred to in Section 2.2.1(3)(b) and, where necessary, the preparation of a corrective action plan.

Part 2.3 Investigation (step 2)

Section 2.3.1 Analysis, assessment and risk prioritisation

1. Undertakings annually investigate, collect and analyse the potential and actual risks of adverse impacts on human rights, climate change and the environment in their own activities as well as those of their business relationships.
2. Undertakings collect information to gain an understanding of the risks of adverse impacts by, in any event:
 - a. investigating and analysing the entire value chain;
 - b. identifying the risks related to the sector, the geography and product-specific and undertaking-specific risk factors; and
 - c. to the extent that the information is reasonably knowable and relevant to the undertakings, collecting information from complaints or reports of stakeholders, experts, international and civil society organisations, the media, national human rights institutions, government authorities, employee representatives, trade unions or business relationships.
3. Undertakings assess:
 - a. their involvement in the identified actual or potential risks of adverse impacts in order to decide on the right approach to preventing, mitigating or terminating these risks; and
 - b. for risks involving business relationships, to what extent they themselves have a due diligence policy in place to prevent, mitigate or terminate these risks.
4. Undertakings prioritise:
 - a. the risks based on the severity and degree of probability of the potential and actual adverse impacts on human rights or the environment;
 - b. in consultation with, in any event, stakeholders, experts and business relationships.

Part 2.4 Tackling adverse impacts (step 3)

Section 2.4.1 Risk action plan

1. Undertakings ensure that the detected potential and actual risks of adverse impacts on human rights and the environment are adequately tackled and, to that end, draw up an action plan to prevent, mitigate or terminate these risks of adverse impacts of their activities and those of their business relationships.
2. The action plan contains, in any event:
 - a. a description of the detected potential and actual risks of adverse impacts on the value chain as a whole;
 - b. the quantitative and qualitative targets for the measures taken to prevent, mitigate or terminate every risk, in order of priority;
 - c. a description of the influence that is or will be exerted on business relationships in the event that potential and actual risks are detected in their business;
 - d. an allocation of duties among people employed by the undertaking or external parties with a view to implementing the plan; and
 - e. the financial basis for every measure.
3. Undertakings carry out their action plan, with or without cooperation from external parties and stakeholders.
4. If an undertaking is unable to tackle all potential and actual risks of adverse impacts immediately, it will tackle them based on the prioritisation referred to in Section 2.3.1(4). Once the risks having the most severe impacts have been tackled, the undertaking will tackle the less severe risks of adverse impacts on human rights and the environment.
5. Undertakings publish the action plan in an accessible manner on their website, on relevant local websites and in the undertaking's business locations, in both Dutch and English and in the local language.

Section 2.4.2 Climate plan

1. Undertakings ensure that the detected potential and actual risks of adverse impacts on climate change are adequately tackled and, to that end, draw up a climate plan to prevent, mitigate or terminate these risks of adverse impacts of their activities and those of business relationships.
2. If any potential or actual risks of adverse impacts on climate change have been detected, undertakings will include objectives in the climate plan to reduce net greenhouse gas emissions by at least 55% in 2030 compared with the 1990 levels.
3. The rules governing the contents, prioritisation and publication of the action plan as referred to in Section 2.4.1(3), (4) and (5), respectively, apply *mutatis mutandis* to the preparation of the climate plan.

Section 2.4.3 Termination of undertakings' own activities

1. If an undertaking's efforts to prevent or mitigate the adverse impacts that an activity has on human rights or the environment do not produce any results, the undertaking will ultimately terminate the activity if it causes or contributes to these adverse impacts.

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2. When deciding to terminate any of its own activities, the undertaking will in any event take into account:
 - a. the degree to which the activity is essential to the undertaking;
 - b. the legal consequences of continuation or termination;
 - c. the degree to which the termination affects the adverse impacts;
 - d. information on the possible negative, social and economic impacts that the termination will have on stakeholders or business relationships; or
 - e. the views of stakeholders, experts and business relationships on the termination.
3. The undertaking designates a director who will be responsible for developing the details and for implementing the termination decision.

Section 2.4.4 Influencing business relationships

1. If an adverse impact on human rights or the environment actually occurs due to an activity of an undertaking's business relationship, the undertaking will use its leverage to influence the business relationship to prevent, mitigate or terminate that impact, by:
 - a. providing information on the adverse impact resulting from the business relationship's activity;
 - b. offering appropriate assistance, with or without cooperation from other undertakings, in the prevention, mitigation or termination of the adverse impact or the termination of the activity by the business relationship;
 - c. disclosing the information on the adverse impact in an accessible manner on its website and on relevant local websites, in both Dutch and English and in the local language; or
 - d. announcing that it will terminate the relationship either temporarily or permanently in order to comply with its own due diligence policy.
2. If an undertaking's efforts to prevent, mitigate or terminate the adverse impacts of an activity of a business relationship do not produce any results, the undertaking will ultimately terminate the relationship with the business relationship in a responsible manner either temporarily or permanently.
3. When deciding to terminate a business relationship, the undertaking will in any event take into account:
 - a. the degree to which the relationship is essential to the undertaking;
 - b. the legal consequences of continuation or termination of the relationship;
 - c. the degree to which the termination affects the adverse impacts;
 - d. information on the possible negative, social and economic impacts that the termination will have on stakeholders or the business relationship; or
 - e. the views of stakeholders, experts and the business relationship on the termination.
4. The undertaking designates a director who will be responsible for the implementation of the decision to terminate a business relationship.

Part 2.5 Monitoring

Section 2.5.1 Monitoring the application of due diligence

1. Undertakings monitor the application and effectiveness of their policy and measures of due diligence annually.

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2. Undertakings place the responsibility for the monitoring with the director referred to in Section 2.2.2(1).
3. Monitoring in any event takes place by:
 - a. the collection of information on the execution of the policy document, the action plan and the climate plan;
 - b. the collection of information on changes in adverse impacts on human rights or the environment as a result of the measures taken;
 - c. consultation of relevant stakeholders, experts and business relationships;
 - d. an investigation into the substance and the number of complaints from the remediation mechanism; and
 - e. verification of a sample of the monitoring results.
4. Undertakings may conduct the monitoring together with other undertakings, with due regard to Section 2.1.2(3) and (4), or may have it conducted by an independent third party.
5. Undertakings implement the findings from such monitoring in their:
 - a. policy document, action plan, climate plan and report as referred to in Sections 2.2.1, 2.4.1, 2.4.2 and 2.6.1, respectively;
 - b. policy, management system and business process as referred to in Section 2.2.2.

Part 2.6 Reporting

Section 2.6.1 Reporting on due diligence

1. The director referred to in Section 2.2.2(1) annually reports to the board of directors on the implementation and execution of the policy.
2. Undertakings annually report on their policy and measures of due diligence.
3. In the report, undertakings in any event disclose information, excluding information that is confidential for competitive or safety reasons, on:
 - a. the results of the risk assessment and the prioritisation selected as referred to in Section 2.3.1;
 - b. the execution of the action plan referred to in Section 2.4.1;
 - c. the execution of the climate plan referred to in Section 2.4.2;
 - d. the measures taken to prevent, mitigate or terminate risks of adverse impacts, and their results;
 - e. the execution of and findings from the monitoring referred to in Section 2.5.1;
 - f. the substance and number of complaints received through the remediation mechanism referred to in Section 2.7.1; and
 - g. the remediation offered or the contribution made to it as referred to in Section 2.7.2.
4. Undertaking publish the report:
 - a. in an accessible manner on their website, on the relevant local websites and in the undertaking's business locations, in both Dutch and English and in the local language; and
 - b. no later than 30 April of every calendar year.

Part 2.7 Remediation

Section 2.7.1 Remediation mechanism

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1. Undertakings ensure that a well-functioning remediation mechanism is in place or that they cooperate with an existing remediation mechanism.
2. Stakeholders may use a remediation mechanism to file complaints and submit them to an undertaking.
3. A remediation mechanism will be designed such that:
 - a. it is easily accessible to stakeholders;
 - b. it contains a description of the procedure for the submission and handling of complaints by the undertaking, which is published on its website, on the relevant local websites and in the undertaking's business locations, in both Dutch and English and in the local language;
 - c. the director responsible for policy execution mentioned in Section 2.2.2(1) speaks with the complaining stakeholder about severe adverse impacts;
 - d. the outcome of the complaint handling and, where necessary, the remediation to be provided are in line with Section 2.7.2;
 - e. experiences gained with the remediation mechanism are used to improve it.
4. The procedure for the submission and handling of complaints in any event contains:
 - a. clear time limits for the various steps of the procedure;
 - b. timely and adequate provision of information about the handling and follow-up of a complaint to the stakeholder;
 - c. where an independent dispute resolution committee is involved, a description of its powers and the degree to which its opinion is binding.
5. If parties differ as to whether an undertaking has caused or contributed to the adverse impacts, or they differ about the nature and scope of the remediation, they may submit their dispute to a dispute resolution committee, if any, or a court of law.

Section 2.7.2 Remediation

1. If an undertaking has caused or contributed to adverse impacts on human rights or the environment or is directly linked to them through a business relationship's activities, in consultation with the stakeholder it will provide or enable adequate remediation or contribute to it.
2. Depending on the manner of an undertaking's involvement in an adverse impact, which may also change over time, the relevant undertaking will take the following steps if a complaint is declared substantiated:
 - a. if the undertaking has caused an adverse impact, it will ultimately terminate the activity causing that impact, with due regard to Section 2.4.3, and remediate the actual impacts;
 - b. if the undertaking has contributed to an adverse impact:
 - 1°. the undertaking will use its leverage to prevent and mitigate the impacts to the extent possible, with due regard to Section 2.4.4;
 - 2°. the undertaking will ultimately cease such contribution and contribute to remediating the actual impacts;
 - c. if there is a direct link between an adverse impact and the activities of an undertaking's business relationship:
 - 1°. the undertaking will use its leverage to prevent and mitigate the impacts to the extent possible, with due regard to Section 2.4.4; or
 - 2°. the undertaking will ultimately terminate this relationship with due regard to Section 2.4.4.
3. Remediation may be achieved by:

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- a. concrete measures to prevent, mitigate or terminate the adverse impacts;
- b. internal or external communications about the adverse impacts;
- c. sanctions to be imposed on the undertaking's employees;
- d. compensation for the loss and damage suffered by affected persons or groups of persons;
- e. financial compensation for the affected community;
- f. rehabilitation of the stakeholder; or
- g. written apologies by a director or, if present, the undertaking's board to the stakeholder.

CHAPTER 3. SUPERVISION AND ENFORCEMENT

Part 3.1 Supervision

Section 3.1.1 Regulator

1. The regulator is charged with supervising compliance with the rules laid down under or pursuant to this Act.
2. In addition to the powers of enforcement referred to in Sections 3.2.1 to 3.2.4, the regulator may also provide information on the obligations to exercise due diligence.
3. Chapter 3, excluding Sections 12j and 12m to 12p, of the Act Establishing the Authority for Consumers and Markets applies *mutatis mutandis* to the exercise of powers of enforcement.
4. The regulator exercises its supervision on the basis of a supervisory strategy in which the regulator in any event indicates how a request for enforcement as referred to in Section 3.1.3(2) will be prioritised.
5. The supervisory strategy is published in the Government Gazette and on the regulator's website and will be updated once every five years.

Section 3.1.2 Collaboration with other regulators

1. The regulator closely and effectively collaborates with other regulators, both in the Netherlands and in the European Union.
2. The regulator provides other regulators with relevant information, provided that the confidentiality of the information is sufficiently guaranteed and the information will not be used for any purpose other than the purpose for which it is provided.
3. Upon request, the regulator will assist other regulators in the performance of duties.

Section 3.1.3 Handling of reasoned objections

1. Any person has the right to submit a reasoned objection to the regulator if objective circumstances lead him to suspect that an undertaking does not comply with the rules under or pursuant to Chapter 2.
2. If the objection is sufficiently reasoned to such an extent that a suspicion of non-compliance with the rules by an undertaking can be established, the regulator will regard the objection as a request for enforcement.

Part 3.2 Enforcement

Section 3.2.1 Administrative enforcement order

1. The regulator may impose an administrative enforcement order to enforce Section 2.7.2(3)(a).
2. In the decision to impose an administrative enforcement order, the regulator may determine that the decision also applies to the legal successors of the undertaking on which the decision is imposed. In that case, the regulator may execute the decision against the legal successors and collect the costs of execution from these legal successors.

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3. With due regard to Section 3.2.4, the regulator will publish the decision to impose an administrative enforcement order when the time limit for carrying out the order has expired or when the administrative enforcement has been applied.

Section 3.2.2 Order subject to a penalty

1. The regulator may impose an order subject to a penalty to enforce Sections 2.2.1 to 2.7.2.
2. In the decision to impose an order subject to a penalty, the regulator may determine that the decision also applies to the legal successors of the undertaking on which the decision is imposed. In that case, the regulator may execute the decision against the legal successors and collect the costs of any penalty incurred from these legal successors.
3. With due regard to Section 3.2.4, the regulator will publish the decision to impose an order subject to a penalty when the time limit for carrying out the order has expired or when a penalty is incurred.

Section 3.2.3 Administrative penalty

1. The regulator may impose an administrative penalty if Sections 2.2.1 to 2.7.2 are breached.
2. If Sections 2.2.1 to 2.7.2 are breached, the regulator may first issue an instruction to comply with them. The regulator may set a time limit for complying with the instruction.
3. The administrative penalty to be imposed amounts to no more than 10% of net turnover.
4. The effect of the decision to impose an administrative penalty will be suspended until the period for objecting or appealing has expired or, if an objection has been filed or an appeal has been lodged, a decision has been taken on the objection or the appeal, respectively.
5. With due regard to Section 3.2.4, the regulator will publish the decision to impose an administrative penalty.

Section 3.2.4 Publication of administrative sanctions

1. Before publishing the decision to impose an administrative penalty, an administrative enforcement order or an order subject to a penalty, the regulator will first take a decision on the publication of that penalty or order. This decision consists of:
 - a. the information to be published;
 - b. the publication method; and
 - c. the time limit within which the decision will be published.
2. The regulator will only publish the decision ten business days after the day on which the undertaking is notified of the decision.
3. If interim relief within the meaning of Section 8:81 of the General Administrative Law Act (*Algemene wet bestuursrecht*) is sought, the decision will not be published until the interim relief court has handed down its judgment.
4. A decision is published in such a way that it cannot be traced back to individual natural or legal persons if the regulator can establish before publication that if the decision were to be published in full:

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- a. the disclosure of personal information would be disproportionate in view of the gravity of the violation;
 - b. these persons would be prejudiced disproportionately; or
 - c. it would undermine an ongoing criminal investigation or an ongoing investigation by the regulator.
5. The regulator will publish the submission of an objection or the filing of an appeal against a decision as referred to in the first subsection, as well as the outcome of the objection or the appeal, as soon as this is reasonably practicable. The restrictions referred to in the fourth subsection apply *mutatis mutandis*.

Section 3.2.5 Offence

The following is inserted in the alphabetical classification in Section 1 at 4° of the Economic Offences Act (*Wet op de economische delicten*):

the Responsible and Sustainable International Business Conduct Act (*Wet verantwoord en duurzaam internationaal ondernemen*), Section 2.6.1;.

Section 3.2.6 Civil action

1. If a foundation or an association with full legal capacity whose objectives under the articles of association are to promote the interests of human rights or the environment brings an action as referred to in Article 3:305a(1) of the Dutch Civil Code against an undertaking within the meaning of Section 1.1(I) or a foreign undertaking within the meaning of Section 1.3(1) of this Act, this action will be deemed to have a sufficiently close connection with the Dutch jurisdiction as referred to in Article 3:305a(3)(b) of the Dutch Civil Code.
2. If the party bringing an action for loss or damage resulting from an adverse impact on human rights or the environment as referred to in this Act and in law puts forward facts that may give rise to a suspicion of a link between this and an undertaking's acts or omissions, the undertaking must prove that it has not acted in breach of an obligation pursuant to this Act.
3. The second subsection is an overriding mandatory provision within the meaning of Article 16 of the Rome II Regulation.

CHAPTER 4. FINAL PROVISIONS

Section 4.1 Evaluation

Within five years of the entry into force of this Act and subsequently once every five years, the Minister will send the States General a report on the effectiveness and the effects of this Act in practice.

Section 4.2 Transitional provisions for complaints based on former scheme

If a complaint was filed before this Act entered into force on the basis of a former complaint or dispute settlement scheme, the old scheme will continue to apply until the decision of the dispute resolution committee or the judgment of the court has become irrevocable.

Section 4.3 Repeal of the Child Labour Duty of Care Act (*Wet zorgplicht kinderarbeid*)

The Child Labour Duty of Care Act is repealed.

Section 4.4 The delayed effect of sections in Chapter 2

1. The obligations to draw up a policy, to adopt a policy document and code of conduct and to incorporate the policy into the management system and the regular business process as referred to in Section 2.2.1(1) to (3) are to be met within six months of the entry into force of this Act.
2. The obligations to perform a risk assessment as referred to in Section 2.3.1 and to prepare an action plan as referred to in Section 2.4.1 and a climate plan as referred to in Section 2.4.2 are to be met within nine months of the entry into force of this Act.
3. The obligations to monitor as referred to in Section 2.5.1, to prepare a report as referred to in Section 2.6.1, to have a remediation mechanism in place as referred to in Section 2.7.1 and to enable remediation as referred to in Section 2.7.2 are to be met within one year of the entry into force of this Act.
4. Unless the evaluation referred to in Section 4.1 shows that the application of Chapter 2 and the regulations based on it to medium-sized undertakings engaging in activities in countries outside the Netherlands will not be opportune, that chapter and the regulations based on it will become applicable to those undertakings six years after the entry into force of this Act.
5. If, within the period stated in the fourth subsection, a bill is submitted to the House of Representatives of the States General regarding the applicability of Chapter 2 and the regulations based on it to medium-sized undertakings engaging in activities in countries outside the Netherlands, in any event Chapter 2 and the regulations based on it will not apply until that act enters into force or up to and including the day on which it is established that the bill will not be turned into law.

Section 4.5 Entry into force

1. This Act enters into force with effect from 1 July 2024, except for Sections 3.2.1 to 3.2.6.

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2. Sections 3.2.1 to 3.2.4 enter into force with effect from 1 January 2025 and Sections 3.2.5 and 3.2.6 from 1 July 2025.

Section 4.6 Citation title

This Act will be cited as: The Responsible and Sustainable International Business Conduct Act.

Mandate and order that this will be printed in the Bulletin of Acts and Decrees and that all ministerial departments, authorities, councils and civil servants concerned will ensure its precise implementation.

Done

The Minister for Foreign Trade and Development Cooperation,