



Federal Ministry
for Economic Cooperation
and Development



**Partners in
Transformation**
Helpdesk Business
and Human Rights

February 2, 2024

INA Lunchbreak

Lessons-learnt one year after the German
Supply Chain Act (LkSG) came into force



Key points of the Supply Chain Due Diligence Act

Risk management system

Strategy and implementation, risk analysis, preventive and remedial measures, complaints procedure, effectiveness assessment and reporting

Due diligence obligations

Own operations and towards direct suppliers
– towards indirect suppliers only in case of actual indications that suggest a violation; duty of effort – no obligation to guarantee

Obligated companies

2023: Companies with at least 3.000 employees in Germany
2024: Companies with at least 1.000 employees in Germany (including temporary workers)

Material scope of the due diligence obligations

Certain human rights and environmental obligations

Civil liability

Existing bases for civil liability remain unchanged

Law clarifies that it does not create additional bases for liability

Control and sanctions

Competent authority: BAFA (Federal Office of Economics and Export Control) is equipped with strong interventive powers

Possible sanctions: Fines and the exclusion of public procurement



Collaboration in the supply chain

Obligated companies are obliged to due diligence within their own operations and their supply chains: Effects on companies outside the scope

Indirect supplier

- Inquiries by direct suppliers in relation to own operations
- Inquiries in relation to upstream suppliers



Direct supplier

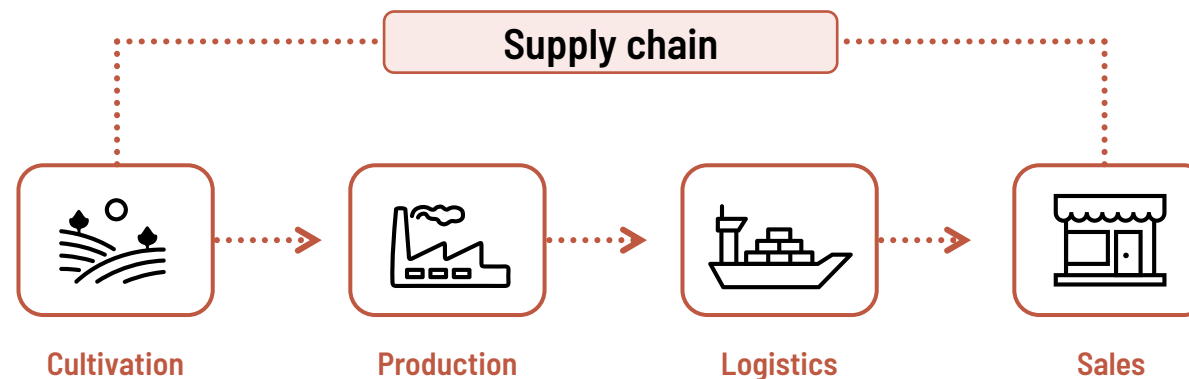
- Inquiries by customers in relation to own operation of supplier
- Inquiries in relation to upstream suppliers



Own operations

- Obligations in own operations
- Obligations in relation to subsidiaries when exercising a decisive influence
- Obligations in supply chains

Obligations in relation to indirect suppliers
only in case of „actual indications that suggest a violation of a human rights-related or an environment-related obligation at indirect suppliers to be possible“ (substantiated knowledge)



Source: own diagram



Effects on companies outside the scope

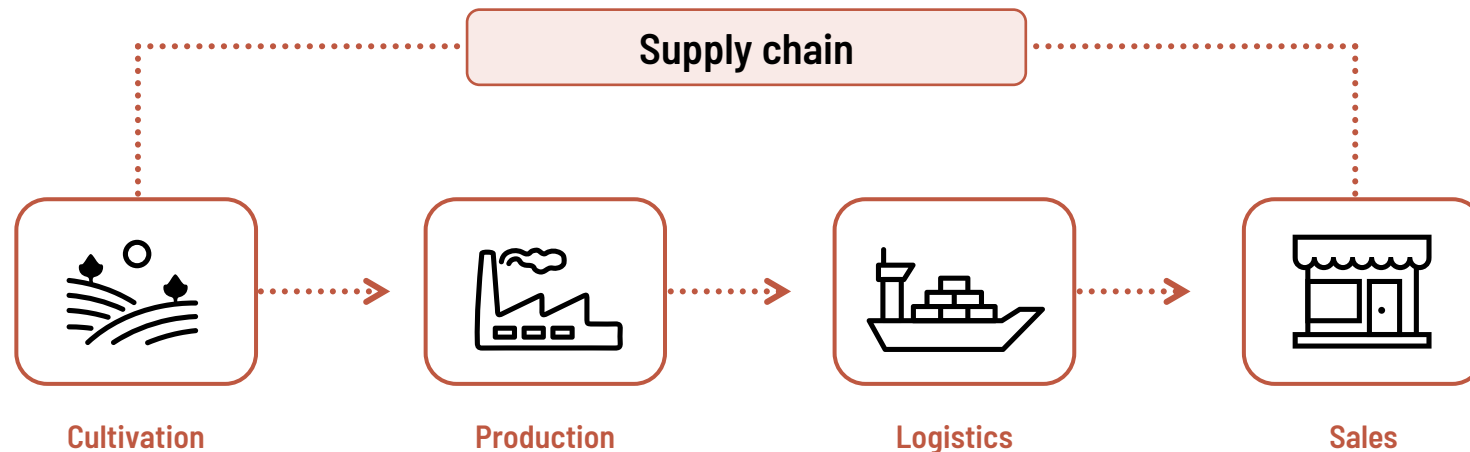
Obligated companies are obliged to due diligence within their own operations and their supply chains:

Effects on companies outside the scope

- Collaboration in risk analysis
- Collaboration in preventive and/or remedial measures
- Support with the implementation of the complaints procedure

But: No legal effects according to the Supply Chain Due Diligence Act

- No reporting obligations towards the competent authority or the public
- No risk of sanctions
- No obligation to collaborate
- Mere transfer of obligations not permitted



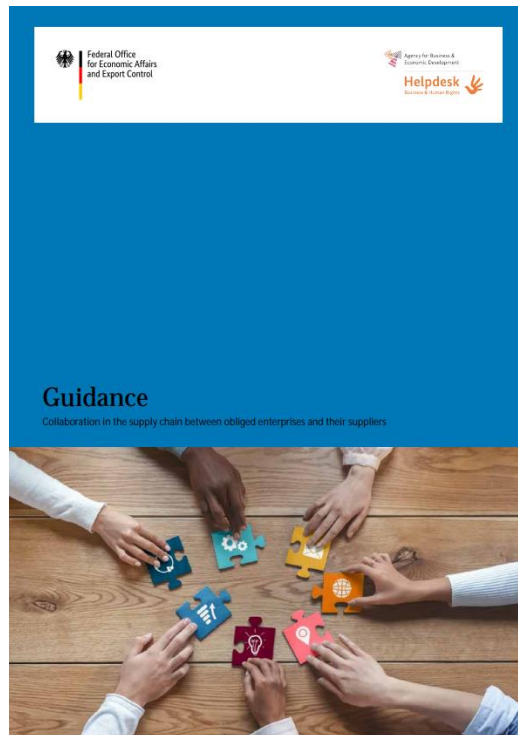
Source: own diagram



Joint Guidance: Collaboration in the supply chain between obliged enterprises and their suppliers

BAFA and Helpdesk Business and Human Rights

Guidance



FAQs



The Helpdesk on Business and Human Rights

Offer of the Federal Government

The Helpdesk is financed by the German Federal Ministry for Economic Cooperation and Development (BMZ).

Support offer for companies and associations

The Helpdesk offers you an:

- Initial consultation
- Referral advice
- Awareness raising on the topic of business & human rights



What we do



Free-of-charge advice

- Advice on implementing human rights due diligence
- For companies and business associations
- Advice on funding and financing instruments



Training programs

- Customized training programs for companies
- Support in developing own training programs
- E-learning: [Introduction to business and human rights](#)



Events

- Fostering dialogue between business, politics and civil society
- Online seminars



Online services

- [SME Compass](#): Practical online tool for human rights due diligence
- [CSR Risik Check](#): Online tool for global risk assessment (available in English here)
- [Business & Human Rights Navigator](#)

Online-Tools for companies



CSR Risk Check:

Tool for assessing product, raw material and country-specific CSR risks



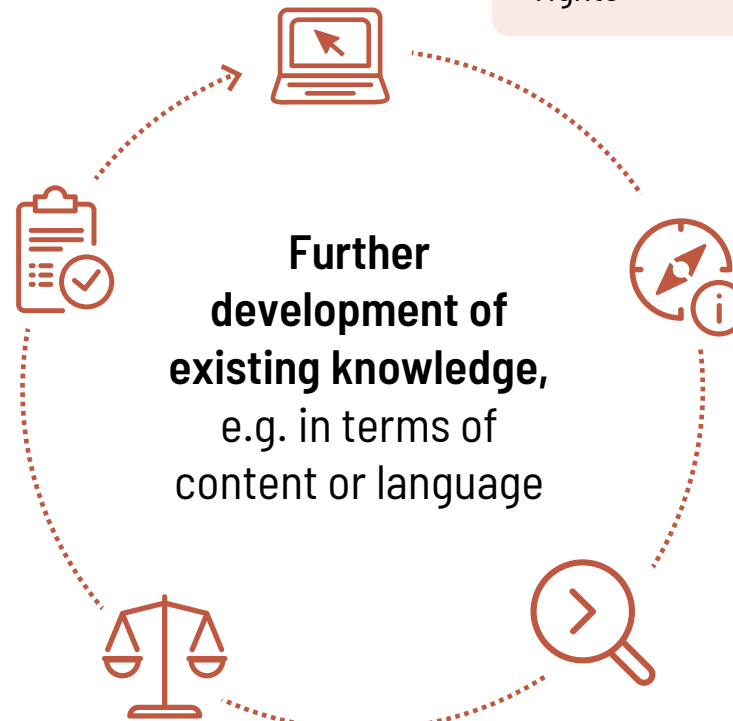
Business & Human Rights Navigator:

Portal with numerous case studies, background information and guidance on ten key human rights topics

KFW DEG

E-Learning (Online Course):

On business and human rights



SME Due Diligence Compass:

Guidance for social and environmental due diligence along the supply chain

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH




SME Standards Compass:

Tool for comparing and assessing standards – for more guidance in the jungle of sustainability standards

The Business & Human Rights Navigator – Case Studies





United Nations
Global Compact

**Business & Human
Rights Navigator**

INTRODUCTION ABOUT ISSUES CASE STUDIES KEY RESOURCES

Created in partnership with the Helpdesk on Business & Human Rights

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Case Studies

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Issues ▾ Due Diligence Stages ▾ Countries ▾ Business Sectors ▾ Clear all filters Filter 🔍

Brands Fashion Germany India
[2. Impact Assessment](#) [3. Taking Action](#)
Living wages throughout the entire textile supply chain

SanLucar Group Germany Spain
[2. Impact Assessment](#)
Risk assessment guided by the UNGPs

Partnership for Sustainable Textiles Germany Turkey
[6. Remedy and Grievance Mechanism](#)
Grievance mechanism for Syrian workers in the Turkish textile industry in cooperation with local NGO

Thomas Becker DR Congo Germany
[3. Taking Action](#)
Strengthening the rights of female mine workers in Congolese gold mining

JOMIPSA Spain
[3. Taking Action](#)
Flexitime to Reconcile Personal and Work Life

Fuji Oil Holdings Inc Japan Multiple countries
[1. Policy](#) [4. Tracking Performance](#)
Establishing a Sustainable Procurement Commitment to Eliminate Child Labour in the Cocoa Supply Chain

Thank you for your attention!



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