Respecting human rights in the supply chain – facing global challenges together!

In late spring 2020, Commissioner for Justice Didier Reynders announced that the European Commission will develop a legislative proposal on diligence requirements in supply chains. This proposal is to be presented in 2021. Furthermore, the European Parliament will provide a legislative own initiative report on due diligence requirements across economic value chains in autumn 2020. In the meantime, the European Parliament's "Working Group on Responsible Business Conduct" provided its vision on due diligence requirements to the European Commission.

On national level, the German federal government wants to implement the *"Guiding Principles on Business and Human Rights"* of the United Nations with its national action plan. The aim is to improve the application of internationally recognized labour, social and environmental standards in global supply chains.

Human rights due diligence is a matter of course for our companies
Respect for human rights is of greatest priority for us. Alongside the state, which has the primary responsibility ("protect"), obviously also globally operating businesses bear responsibility for their supply chains ("respect"). Therefore, many companies in our industry have been working intensively for years to implement supply chain management and to continuously improve it. In this effort, they are supported by the sustainability initiatives Chemie[3] and Together for Sustainability.

Supply chains do not stop at national borders
Different national regulations are not conducive to the common goal of global respect for human rights in supply chains. Instead, they cause much legal uncertainty. Potential contradictions to existing European provisions in other areas (e.g. competition rules that include the possibility of penalisation) require uniform global – or at least European – solutions ("level playing field"). Politicians, companies, trade unions and consumers should work together on this. Now, the EU Commission's announcement of plans to present a legislative proposal must not be undermined by national regulation.

Clear definition of responsibility
Value and supply chains are complex. For this reason, it is necessary to clearly describe the responsibility of companies when assuming human rights due diligence. Social responsibility and liability must be well-balanced and proportionate to teach other. Companies can only be required to do what is appropriate in view of their corporate design and their abilities to exert influence. Therefore, diligence requirements for the respect of human rights in supplier businesses must remain limited to those of the first level. Entrepreneurial commitment that goes beyond the core of social responsibility should be encouraged – while it can be expected that this is seen as a voluntary contribution now and in the future.

Support the industry's initiatives
There are already manifold starting points for more sustainable supply chain management. This is why political deciders should support existing initiatives of industry and take them into consideration as an own regulatory framework for corporate diligence.

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- Identification no. in the EU Transparency Register: 15423437054-40
- The VCI is registered in the "public list on the registration of associations and their representatives" of German Parliament (Deutscher Bundestag).

The VCI represents the politico-economic interests of around 1,700 German chemical companies and German subsidiaries of foreign businesses. For this purpose, the VCI is in contact with politicians, public authorities, other industries, science and media. In 2019 the German chemical industry realised sales of over 198 billion euros and employed around 464,000 staff.

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The German Federation of Chemical Employers' Associations (BAVC) is the head organisation for collective bargaining and social policy in the chemical and pharmaceutical industry, as well as large parts of the rubber and plastics processing industries in Germany.
It represents the interests of its ten regional member associations, with 1,900 companies and 580,000 employees, vis-à-vis trade unions, politics and the public.

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