



GERMAN SUPPLY CHAIN DUE DILIGENCE

SIX MILESTONES IN SIX MONTHS

1

STANDARDS RAISED

LKSG, WHICH COVERS BOTH HUMAN RIGHTS AND ENVIRONMENTAL SUSTAINABILITY, RAISED THE BAR IN GLOBAL SUPPLY CHAIN REQUIREMENTS FOR ITS COMPREHENSIVENESS.

2

FIRST COMPLAINT FILED¹

THE ADVOCACY GROUPS FEMNET, ECCHR, AND NGWF FILED THE **FIRST FORMAL COMPLAINT** INVOLVING LKSG IN APRIL 2023. THE COMPLAINT ALLEGES INTERNATIONAL CORPORATIONS SUCH AS AMAZON, IKEA, AND TOM TAILOR ARE VIOLATING THE LAW BY CONTINUING TO USE UNSAFE BANGLADESH FACTORIES.

3

ONLINE ACCESS

IN APRIL 2023, THE FEDERAL OFFICE FOR ECONOMIC AFFAIRS AND EXPORT CONTROL (BUNDESAMT FÜR WIRTSCHAFT UND AUSFUHRKONTROLLE OR BAFA) PROVIDED ONLINE ACCESS FOR BUSINESSES TO ANSWER A LIST OF 437 QUESTIONS RELATED TO LKSG. COMPANIES CAN USE THE QUESTIONNAIRE AS THE BASIS OF A REPORT REQUIRED BY THE LAW.

4

SUBSTANTIAL PENALTIES

LKSG ADDED TEETH TO GLOBAL HUMAN RIGHTS ENFORCEMENT THROUGH SUBSTANTIAL PENALTIES. VIOLATORS CAN BE FINED UP TO 2% OF THEIR ANNUAL GLOBAL REVENUES.

5

THREE WAYS OF REDRESS

LKSG STANDS OUT BY OFFERING MULTIPLE MEANS OF REDRESS FOR VICTIMS:

- 1) COMPLAINTS PROCEDURES COMPANIES ARE MANDATED TO ESTABLISH
- 2) REMEDIAL ACTION AS PART OF A COMPANY'S DUE DILIGENCE
- 3) BAFA'S ADMINISTRATIVE ACTION

6

ELEVATED STANDARDS FOR SUPPLY CHAINS

LKSG COMPELS BUSINESSES TO HELP ELEVATE THEIR SUPPLIERS' ETHICAL STANDARDS BY RAISING THE STAKES OF NONCOMPLIANCE - PENALTIES, FINANCIAL LOSSES, AND REPUTATIONAL DAMAGE.

Sources:



- 1) [First Complaint Case Filed Under German Supply Chain Act](#)