

GERMAN DUE DILIGENCE OBLIGATIONS IN SUPPLY CHAINS



 All companies with more than 3,000 resp. 1,000 employees will be affected, regardless of their capital market orientation

 EU Supply Chain Directive available as a draft (will require amendments of yet existing national laws)

 Obligation for risk analysis, preventive and corrective measures towards direct suppliers (in case of violations: even indirect suppliers)

 Responsibility of German companies for (direct) suppliers regulated by law for the first time

 Catalog of innovative due diligence obligations for companies (risk-based control by Federal Office for Economic Affairs and Export Control)

 Sanction regime based on public law mechanisms (e.g. temporary suspension from public tenders, high fines), Attention: reputational damage risks

