'More justice for workers worldwide'

Germany's binding legislation on human rights in supply chains is breaking new ground. An interview with German Minister of Labour Hubertus Heil

Finally, after months of wrestling with the centre-right Christian Democratic parties, Germany's "Supply Chain Act" is on its way. Why is this so important?

Many of the products we use day in and day out are produced outside of Germany and Europe. Cocoa, coffee and mangoes simply don't grow in our latitudes. Lots of our clothing is made in textile factories in Ethiopia and Bangladesh; our laptops and cellphones contain rare earths from Africa. German firms produce goods and make profits all over the world. But with this globalised economy comes responsibility: It's not enough for German firms to respect workers' rights in Dresden and Darmstadt. They also have to ensure respect for human rights all along their supply chains in Dhaka and Douala – and everywhere else.

The Supply Chain Act makes this responsibility legally binding for the first time. We unequivocally state that German companies have to ensure decent working conditions throughout their supply chains. First, the legislation strengthens the most basic human right, namely the right to dignified work. Second, it makes it easier for victims to assert their rights in German courts. And, third, it creates a supervisory body so the legislation will have real effect. This act creates more justice for workers worldwide and more legal security for companies in Germany. It also ensures fairer competition.

With the German economy already struggling with the consequences of the Covid-19 pandemic, is this the right moment for such legislation?

The time is *always* right for human rights. They are universal and inalienable. If we were to open that up for discussion, we would be calling our moral foundations into question. Today 150 million children work under the most repugnant, and sometimes deadly,

conditions, while some 25 million people perform forced labour. We can't put off action until all the other problems in the world have been solved. That's not likely to happen.

Besides, we are not demanding that companies do the impossible. The act requires some more care and effort of them, as quite a few companies are already doing. Tchibo and Ritter Sport, for example, show that *you can do itif you want to*. In the first phase, the act will apply to companies with 3,000 employees, and from 2024, to companies with 1,000 workers and more. The phased-in approach gives businesses time to create the necessary monitoring structures.

By the way, not only human rights activists but also individual companies have long been demanding that politicians pass *binding* supply chain legislation. This is because although the act primarily reinforces human rights, it also supports fair competition. Decent business practices should not create competitive disadvantage.

You say that German goods are often manufactured in distant countries with the involvement of many different suppliers. That makes it hard to control working conditions – as business associations never tire of saying. Which concrete measures will protect workers worldwide?

It's really not as hard as industry associations claim. Many companies have already been doing this voluntarily – and successfully. They collaborate with local activists to monitor working conditions in the supply chains.

Under the new legislation, large companies will have to investigate whether their production practices violate any human rights. They can't just check their own factories, but also have to look at their direct suppliers. If a company is informed that the supplier of one of their suppliers has broken the law, it must investigate that, too.

The Federal Office of Economics and Export Control, a powerful agency, will provide specific information and support. It will also keep a sharp eye on manufacturers and carry out on-site inspections. It can impose fines and penalties amounting to 10 per cent of a company's total turnover. Fined businesses can also be excluded from public procurement for up to three years. These two measures are enough to really hurt big companies. Companies will have to comply with the rules, and ensure human rights standards all along their supply chains.

The legislation primarily focuses on prevention. How can parties who have been wronged by German companies seek redress for human rights violations or environmental pollution?

We have created a catalogue of due diligence obligations to help prevent human rights violations ever occurring. This is about more than just prevention, it's a very strict legal requirement. For me, it was equally important to help victims of German companies who ignore due diligence obligations. Access to effective remedy and legal protection is crucial in the fight for respect for human rights in the global economy. The United Nations High Commissioner for Human Rights Michelle Bachelet has said that repeatedly and I agree.

In principle, victims can already initiate civil actions in German courts. In practice, however, this didn't really play a role, as a 12-year-old in Congo won't be able to use the mechanism. They have neither the knowledge nor the means to file a lawsuit in Germany. Our earlier regulation had no teeth.

We are now improving the legislation by introducing "representative actions". In the future, Congolese children will be able to authorise trade unions or aid organisations like Bread for the World, Misereor, German Watch and Oxfam to fight for justice and reparations in German courts. That is real progress.

All over the world, trade unions face major obstacles and attacks. How can German legislation help protect freedom of assembly and fight starvation wages in other countries?

Of course, Germany's Supply Chain Act will not right all wrongs. No legislation can. But it will help. For example, all the fines imposed for neglecting due diligence obligations are to be directed to human rights work, strengthening local trade unions and activists. We also want to use the legislation to bolster labour and social standards along entire supply chains to promote stable, long-term employment relationships and economic development. The principle of "empowerment before withdrawal" is also part of the Supply Chain Act. Companies are encouraged to work with their suppliers to develop on-site solutions rather than to just move to regions with weaker standards.

For many years, we've observed the growing demand for fairly produced and fairly traded goods. Besides good legislation, we also need well-informed consumers. When we pay attention to where something comes from and its manufacturing standards, and refuse to buy items that we consider have been unethically produced, we indirectly help to fight starvation wages and oppression. This is because products that don't sell are eventually no longer manufactured.

When Germany held the EU Council Presidency last year, the SPD also campaigned for European regulation. Will new national

legislation bring momentum to this project?

The European Union is a "peace project". As the world's largest domestic market, it has a special responsibility for ensuring good working conditions all across the world. I've always thought it important to also make progress at the European level, and under Germany's EU Council Presidency that did happen. The Council passed a resolution on "Human Rights and Decent Work in Global Supply Chains" with support from all 27 member states. I consider that one of the greatest successes of Germany's EU Council Presidency.

I welcome the fact that the European Parliament's Committee on Legal Affairs recently launched a proposal for Europeansupply chain legislation and that European Commissioner for Justice Didier Reynders has announced that he will be proposing a draft soon.

Our national legislation shows that Germany is moving ahead. It also serves to strengthen European initiatives because it's not about us going it alone – but rather of laying the groundwork.

This interview was conducted by Franziska Korn and Claudia Detsch.



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