

CorA-Network welcomes law proposal for value chains by development minister Gerd Mueller

Berlin, 12.2.2019 – The CorA Network for Corporate Accountability welcomes a legal proposal from the German development ministry (BMZ), which includes mandatory human rights due diligence for German companies.

"CorA has demanded for years that companies need to be held liable for the impacts of their business activities", comments the coordinator of the CorA-Network Heike Drillisch. "CorA welcomes that the development minister now stands up for a legal framework on business and human rights. Human rights cannot be protected in global supply chains on a voluntary basis. We call upon the other ministries and the chancellor's office to get involved now in a constructive manner in the formulation of legal regulation."

For the CorA-Network, a law on sustainable value chains must include the following key elements:

All companies must identify the risks that their business activities pose to human rights and take appropriate measures to prevent and mitigate harm.

In addition, liability and sanctions in case of non-compliance by companies are crucial for the effectiveness of the law. Besides the exclusion from public procurement, companies must also be excluded from export promotion measures when they do not fulfil their duties.

Companies must also be obliged to report to the public on their risk analyses and measures of mitigation and remedy as per the UN Guiding Principles on Business and Human Rights, which were adopted by the UN Human Rights Council in 2011.

Background:

The CorA Network for Corporate Accountability is a coalition of 60 development, human rights, environmental and consumer organisations as well as trade unions.

Background information in German on corporate accountability and the UN Guiding Principles on Business and Human Rights can be found at <u>www.cora-netz.de</u> resp. <u>www.cora-</u> <u>netz.de/themen/ungp/</u>.

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