

German and European supply chain legislation,

the effect on purchasing practices,

the role of social compliance certification

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Overview of WRAP

World's largest independent factory-based certification program, focused on the apparel, footwear, sewn products;

We inspect and certify factories all over the world

Objective, non-profit team of global experts dedicated to promoting safe, lawful, humane, and ethical manufacturing around the world through certification and education

Program of choice for industry associations

Leading Independent Certification Program

WRAP Top 10 for 2021

Rank	Country	Registrations
1	China	758
2	Vietnam	563
3	Bangladesh	355
4	India	247
5	Pakistan	205
6	Cambodia	143
7	Indonesia	129
8	Egypt	83
9	Sri Lanka	78
10	Mexico	43

There are almost
3,200 facilities
employing over 2.9
million workers in
more than 40
countries currently
certified



 Federal Ministry
of Labour and Social Affairs

Act on Corporate Due Diligence in Supply Chains

On 22 July 2021, the act was published in the Federal Law Gazette. This represents the first time that the responsibility of German companies to respect human rights in global supply chains has been given a legal foundation.

<https://www.bmas.de/EN/Services/Press/recent-publications/2021/act-on-corporate-due-diligence-in-supply-chains.html>

Act on Corporate Due Diligence Obligations in Supply Chains Of July 16 2021

The Bundestag has passed the following Act:

Article 1

**Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains
(Lieferkettensorgfaltspflichtengesetz – LkSG)**

Scope & enforcement

- As of **1 January 2023** new legal obligations for companies with more than **3,000 employees**
- As of **1 Januar 2024** new legal obligations for companies with more than **1,000 employees**

for

- Companies **headquartered in Germany** or
- **Foreign companies** with a domestic branch in Germany (§ 13d Commercial code)

The German **Federal Office for Economic Affairs and Export Control (BAFA)** will enforce the Act.

- Companies will have to **submit annually a report** about the fulfilment of their due diligence obligations.
- BAFA can
 - claim **access to documentation** and
 - will be entitled to **access company premises**,
 - **collect evidence**, and
 - **issue fines**.

How does German legislation effect Turkish manufacturers?

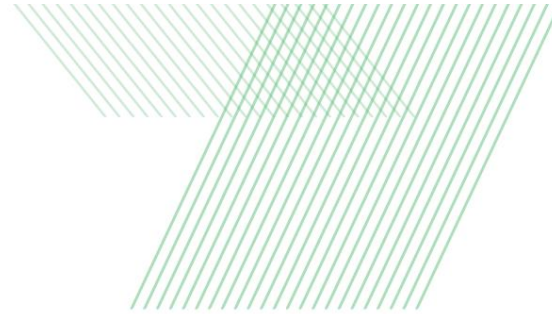
(5) The supply chain within the meaning of this Act refers to all products and services of an enterprise. It includes all steps in Germany and abroad that are necessary to produce the products and provide the services, starting from the extraction of the raw materials to the delivery to the end customer and includes

1. the actions of an enterprise in its own business area,
2. the actions of direct suppliers and
3. the actions of indirect suppliers.

WRAP is recognized by the meta label Green Button and aligned with German legislation



Bundesministerium für
wirtschaftliche Zusammenarbeit
und Entwicklung



Übersicht anerkannter Siegel
zur Erfüllung der Grüner Knopf Produktkriterien



Didier Reynders, EU Commissioner for Justice:

“This proposal is a real game-changer in the way companies operate their business activities throughout their global supply chain.

With these rules, we want to stand up for human rights and lead the green transition. We can no longer turn a blind eye on what happens down our value chains. We need a shift in our economic model.

The momentum in the market has been building in support of this initiative, with consumers pushing for more sustainable products. I am confident that many business leaders will support this cause”.



Thank You!

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