

Information about grievance mechanisms with regards to German Supply Chain Due Diligence Act

The German Act on Corporate Due Diligence Obligations in Supply Chains – in short SCDDA – comes into force on January 1st, 2023. The SCDDA aims to set up due diligence obligations for German companies with respect to human rights and the environment. German companies shall identify and minimize human rights and environment related risks and prevent, end or minimize human rights and environment related violations. This applies for risks and violations, identified in Germany and abroad, including both to own business operations and the supply chain of the company. The supply chain covers direct and indirect suppliers, in particular, as well as other business partner.

Disregarding due diligence obligations under SCDDA may be sanctioned with severe fines up to 2% of the average annual group turnover and with the exclusion from the award of public contracts within a period of up to three years. Nicolas Heyer, Head of Volkswagen Group Whistleblower System: “Fulfilling due diligence under SCDDA has top priority in our Group. Our Whistleblower System serves as intake channel for reporting all kinds of potential human rights and environment related risks and violations along our supply chain.”

Managers, in particular, are required to assist and stay alert of potential risks and violations. Heyer: “In case of any questions or if you and your team receive hints or reports regarding human rights und environment related risks or violations, please contact us. The Whistleblower System ensures that the responsible departments investigate your reports thoroughly.”