

Supplier e-learning Human Rights

BayWa

2023

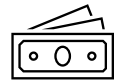


Background, Goals and Requirements



Global Supply Chains and Human Rights

Why do we need new legislation and what is its origin?



Germany is more globally involved than almost any other country. Its **prosperity** and the **economic opportunities** of developing countries depend on these supply chains.



80% of world trade is based on these **global value chains**.



A t-shirt travels an average of **18,000 km** before it reaches a shop in Germany.



On 21 June 2021, the German Bundestag therefore passed the **Supply Chain Due Diligence Act** for companies with more than 3,000 employees. A new law is also being discussed at EU level.



Workers at the beginning of these supply chains, who produce goods for us, often suffer from **poor working conditions**. Children are particularly affected.



The United Nations and the OECD have published **guidelines** on how companies in global supply chains can fulfil their **human rights due diligence obligations** in order to remedy these abuses.

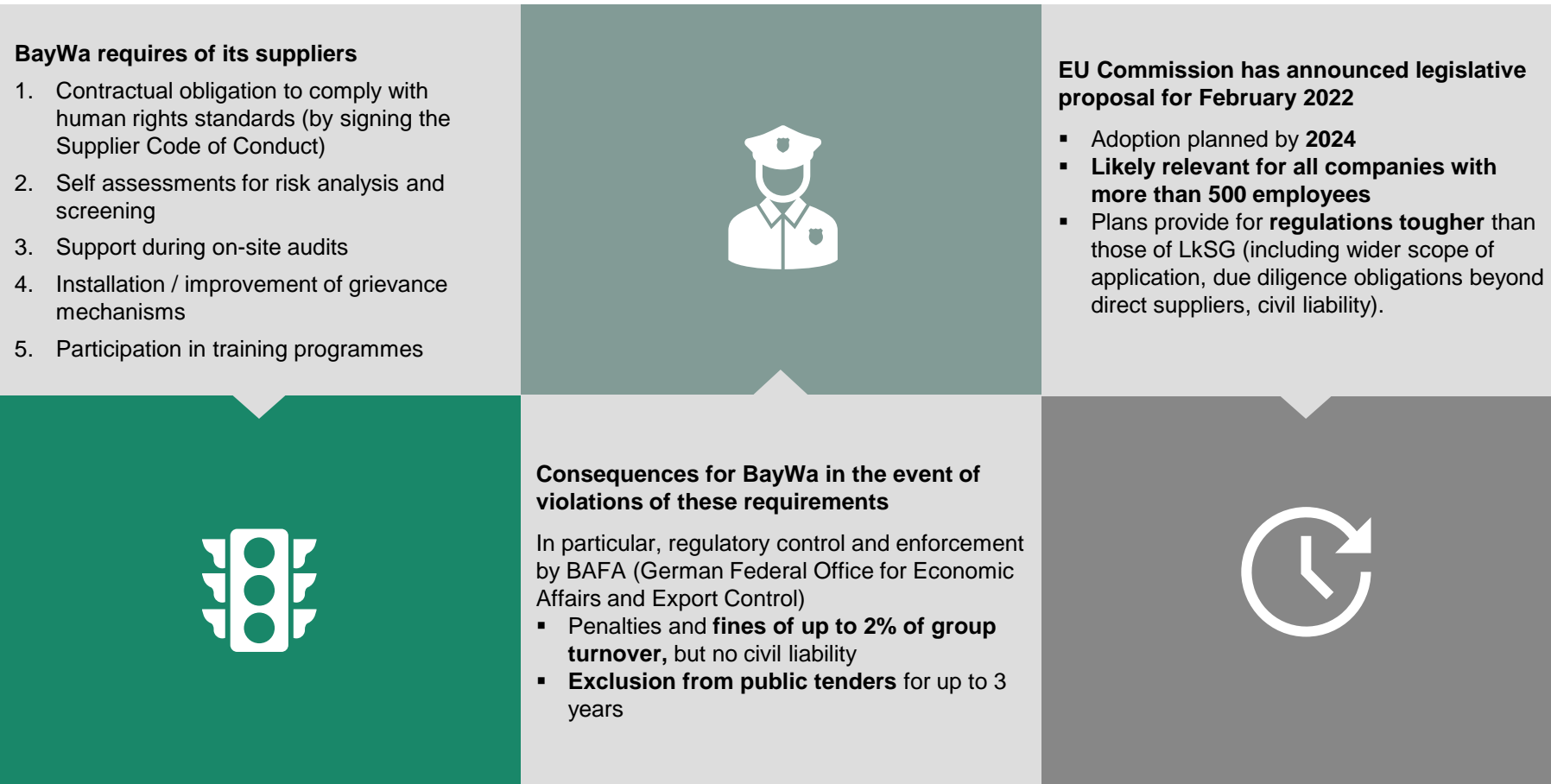


Germany initially relied on the voluntary implementation of these obligations by companies. Monitoring showed that only a few companies complied with their human rights due diligence obligations.



Supply Chain Due Diligence Act (LkSG) - Requirements and Outlook

What are the legislative requirements and what do we have to pay attention to in our business relationship?



What Circumstances Threaten Human Rights?

Distinguishing between social and environmental risks:

Social Risks



Health Risk
for Population at Large



Lack of Occupational Safety and
Health



Unfair Remuneration



Child Labour /
Forced Labour / Slavery



Discrimination

Environmental Risks



Pollution



Mercury (Minamata)



Hazardous waste (Basel)



POPs* (Stockholm)

**POPs = Persistent organic pollutants are organic chemicals that are characterized by their persistence, accumulate in organisms and thus the food chain (bioaccumulation and biomagnification) and show harmful effects on the organism of humans and animals. Examples are hexachlorobenzenes and polychlorinated biphenyls (PCBs), dioxins and furans (PCDD/PCDF).*

What Prohibitions Does The LkSG Cover?

As BayWa's business partner, you commit to complying with the human rights and environmental prohibitions set out below, and to address them appropriately in your own supply chain. They are also addressed in our [Supplier Code of Conduct](#), which serves as the basis for our trusting business relationship:



Human Rights Prohibitions

1. Child labour
2. Forced labour & Slavery
3. Disregard for occupational health and safety
4. Restricted workers' rights
5. Discrimination
6. Withholding decent wages
7. Harmful pollution of soil, water and air as well as harmful noise emissions and excessive water consumption
8. Unlawful eviction / deprivation of land, forests and waters
9. Commissioning / use of private / public security forces with disregard for human rights
10. Other conduct that seriously impairs protected legal positions



Environmental Prohibitions

1. Production, use and treatment of mercury ([Minamata Convention](#))
2. Production and use of persistent organic pollutants ([Stockholm Convention](#))
3. Environmentally harmful handling, collection, storage and disposal of waste ([Stockholm Convention](#))
4. Export and import of hazardous waste ([Basel Convention](#))

What Is Important To Pay Attention To?



Specification of the regulations for the protection of human rights

Child labour: The worst forms of child labour, which include slavery, prostitution, illicit activities (e.g. drug trafficking) or activities harmful to the child's development, are strictly prohibited. Children in less developed countries must be at least 14 years old, and in other countries at least 15 years old, to be employed.	ILO Conventions No. 138 & 182
Forced Labour & Slavery: Involuntary work or services performed under threat of punishment are strictly prohibited.	ILO Conventions No. 29 & 105
Lack of occupational safety and health: Disregard for occupational safety and health is prohibited. This includes insufficient safety standards, lack of appropriate protective measures or measures to prevent excessive physical and mental fatigue.	
Restricted workers' rights: The right of workers to form associations without prior authorisation must not be restricted and must be guaranteed.	ILO Conventions No. 87 & 98
Discrimination: Any distinction, exclusion or preference based on race, colour, sex, creed, political opinion, national origin or social origin and any other distinction, exclusion or preference is prohibited.	ILO Convention No. 111
Withholding decent wages: Equality of pay between male and female workers for work of equal value must be ensured wherever possible.	ILO Convention No. 100
Harmful pollution of soil, water and air as well as harmful noise emissions and excessive water consumption: Where the foregoing endangers a person's natural livelihood, including access to drinking water and sanitation, or damages their health, it is strictly prohibited.	LkSG §2 para. 2 no. 9
Unlawful eviction / deprivation of land, forests and waters: Insofar as land, forests and waters secure a person's livelihood, they may not be evicted or deprived of such by force of law.	LkSG §2 para. 2 no. 10
Commissioning / use of private / public security forces: The use of security forces is strictly prohibited if they disregard human rights, e.g. through torture.	LkSG §2 Para. 2 No. 11
Other behaviour that endangers fundamental human rights	ICCPR & ICESCR

Compliance with the above regulations is mandatory. The protection of human rights must be guaranteed at all times - both in the company's own business operations and in the upstream supply chain.

What Is Important To Pay Attention To?



Specification of the regulations for the protection of the environment

Products containing mercury (compounds) may not be exported, imported, manufactured or used. Treatment of mercury waste must be carried out in accordance with the Minamata Convention.	Minamata Convention
Products containing persistent organic pollutants (POPs) may not be manufactured, placed on the market or used. The disposal of waste containing POPs must be handled, collected, stored and disposed of in an environmentally sound manner.	Stockholm Convention:
Hazardous and other wastes containing the substances listed in the Basel Convention may not be exported.	Basel Convention

In order to prepare for the **EU Supply Chain Act**, BayWa already requires compliance with the following prohibitions:

The import of chemicals on the so-called PIC list is prohibited.	Rotterdam Convention
Products containing substances that deplete the ozone layer must not be produced and used.	Vienna Convention/ Montreal Protocol

You undertake not to supply BayWa with any products containing substances that are subject to the above-mentioned prohibitions. For substances subject to restrictions, you are obligated to provide BayWa with *safety data sheets* without being requested to do so.

What Are Your Duties?



This means that you must integrate **appropriate prevention and remediation measures** to ensure the aforementioned in your own business and with your upstream suppliers.

These should include, for example

- ✓ **Trainings**
- ✓ **Manuals**
- ✓ **Codes of Conduct** and
- ✓ **Contractual clauses with your suppliers.**

Tools and Resources



The following sources provide guidance on implementing human rights due diligence as well as the obligations on the previous slide:

International Standards	<u>UN Guiding Principles on Business and Human Rights</u>
	<u>OECD Due Diligence Guidance for Responsible Business Conduct</u>
Human Rights Due Diligence	<u>SME Compass</u>
	<u>5 Steps towards Managing the Human Rights Impacts of your Business</u>
Policy Commitment	<u>Guidance on How to Develop a Human Rights Policy</u>
	<u>Designing Effective Human Rights Training</u>
Risk Analysis	<u>CSR Risk Check</u>
Taking Measures	<u>Toolkit for Sustainable Procurement</u>
Human Rights Indicators	<u>Quantitative Human Rights Indicators for Business</u>
Grievance Mechanisms	<u>Understanding and Managing Human Rights Violations</u>



Contact Details



Grievance Mechanism for Reporting Risks & Violations

Should you wish to report risks or violations within the scope of the business relationship with BayWa, you can use the BayWa [whistleblowing system](#). We assure confidentiality and your anonymity.

The whistleblowing system is available to you for the topics: **human rights, environmental and climate violations, bullying/harassment, discrimination, occupational health and safety** and other typical compliance topics.

Your Obligation as a Supplier

As a BayWa supplier, you are responsible for ensuring that the obligations listed on slide 6 are also addressed along your own supply chains. In this way, we work together to ensure responsible treatment of people, the environment and animal welfare.

We expect you to inform your employees and your suppliers of the possibility of reporting risks and violations via the [BayWa whistleblowing system](#) and to set up your own reporting channels for risks or violations within the scope of your business relationship.



Or Contact Our Team of Experts!

E-mail: socialcompliance@baywa.de



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**Many Thanks for
Your Participation!**

