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Sent: Friday, July 16, 2021 4:29 PM
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Subject: RE: Meeting on due diligence / SCG with Association of German Chambers of Industry and Commerce

Key messages from DHK and 5 company representatives (from the chemical, food, textile, consumer goods and mechanical engineering sectors):

- Burdens come not just from vetting suppliers, but in dealing with many individual questionnaires, audits, etc. by customers (not filtered by company size)
- Need for clarity and focus on biggest problems: risk-based targeting, with whitelists (e.g. no need to check EU supply chain), blacklists, and dynamic guidance by authorities to different sectors on areas of higher / developing risk.
- Stick to tier 1 extra-EU.
- Don't expect smaller companies to be able to influence bigger suppliers, or even to get answers from them (and in concentrated supply chains, don't require companies to renounce supplies and thus sales)
- Tailor instruments to problems – human rights and environmental issues may require very different responses
- Create a role for industry initiatives – codes of practice, good faith reliance on industry-level guidance
- Need to standardise checks so supplier companies don't have to respond to many different types of queries from their customers.
- Take into account counter-measures by some countries that feel targeted (e.g. CN law retaliating against Nike, H&M re Xinjiang disengagement).
- Take into account that companies cannot usually redesign supply chains overnight if new problems emerge (e.g. Myanmar, Ethiopia).
- Do not intervene on civil liability.
- Do not 'gold plate' the DE law.