



CADERNOS DE PESQUISA - HOMA

THE SUPPLY CHAIN DUE DILIGENCE ACT (LKSG) IN BRAZIL: AN EMPIRICAL ANALYSIS

HomaPublica
REVISTA INTERNACIONAL DE
DERECHOS HUMANOS
Y EMPRESAS



CENTRO DE
DIREITOS HUMANOS
E EMPRESAS



República Federal da Alemanha
Ministerio das Relações Exteriores

*Federal University of Juiz de Fora
University Campus - José Lourenço Kelmer St.,
Juiz de Fora, MG 36036-900, Brazil
CNPJ: 21.195.755/0001-69*

The Supply Chain Due Diligence Act (LKSG) in Brazil: an empirical analysis

Organized and conducted by Homa (UFJF's Human Rights and Business Centre) in partnership with the German Embassy in Brazil and administrative management by the Foundation for the Support and Development of Teaching, Research, and Extension (FADEPE).

Research and writing team:

Coordinators: Manoela Roland; Andressa Soares; Anna Galeb

Senior Associate Researcher: Tchenna Fernandes Maso; Tchella Fernandes Maso

Undergraduate research assistants: Aline Laís Lara Sena

Ana Laura Marcondes de Souza Figueiredo

Amanda Martins de Araújo

Livia Peres de Souza

Luca Cezário Tostes Tito

Maria Eduarda Mota Oliveira

Daniele Padovani

Undergraduate UFJF Scholars:

Ana Carolina Lara Reis

Sabrina Tostes Machado

Communication team:

Coordinator: Raul DeParis

Undergraduate assistants:

Mariana Atalaia Kling

Mariana Miguel Ferreira Ruy



1. Introduction.....	1
2. Analysis of the German Supply Chain Due Diligence Law.....	3
3. Methodology.....	10
3.1 Analysis of the Law.....	10
3.2 Construction of company selection criteria and tools for data collection.....	12
3.2.1 Criteria for choosing companies.....	13
3.2.2 Construction of the indicators.....	14
3.2.3 Analysis matrix.....	16
3.2.4 Semi-structured interviews.....	17
3.2.5 Questionnaire (survey).....	19
4. Matrix A	
 analysis.....	21
4.1 Documenting and reporting.....	21
4.2 Establish a risk management system and designate a responsible person in the company.....	25
4.3 Conduct regular risk analysis and publish policy.....	30
4.4 BAFA Expectations.....	37
4.5 Establish preventive measures in the business area itself and in relation to direct suppliers, carry out remediation actions, implement due diligence obligations regarding risks with indirect suppliers.....	37
4.6 Establish complaint procedures.....	44
5. Concluding Remarks.....	47
6. Report of Activities Performed.....	48
a) Meetings.....	48
b) Webinar.....	52
c) Conferences.....	55
d) Workshop.....	58
d) Treaty Negotiation.....	64
e) Documents produced and indicators.....	67
References.....	68

1. Introduction

This report presents the methodology and results of the research on the impact of the German Due Diligence Law and how German companies and others subject to German jurisdiction operating in Brazil are adapting their policies and activities based on the legislation.

The idea for the project started with previous work by Homa - Center for Human Rights and Business - on regulatory frameworks for business and human rights, such as the in-depth study on the Treaty on Human Rights and Business, under negotiation at the UN Human Rights Council, and the National Action Plans (NAPs).

Between 2020 and 2021, at the request of the members of the Global Campaign to Dismantle Corporate Power¹, a study on due diligence was organized to discuss the normative advances of French, German, and proposed laws in the European community.

During the presentation seminar held in September 2021, it was noted that civil society is interested in delving deeper into these norms. In Brazil, civil society organizations have been active in identifying human rights violations committed by German companies in Brazil (RUSSAU, 2017). In this context, the Federal Public Ministry organized the historic agreement between Volkswagen and victims of violations committed during the military dictatorship, an important precedent for the debate. Thus, it demonstrates the importance of producing studies in Brazil that can strengthen the commitment of German companies to the new due diligence framework in the country.

This project was developed from the dialogue between HOMA and the German Embassy in Brazil, with the purpose of understanding the German Law within the Brazilian scenario. In this research two objectives were established: i) to analyze the obligations contained in the "German Law on Monitoring Value Chains"; ii) how German companies, and others under German jurisdiction, which have activities in Brazil, are adapting to the new legal framework. To this end, it is expected to measure with the research the advances of the German Law in

¹ For more information about the Campaign, see: <https://www.stopcorporateimpunity.org/>

relation to the German National Action Plan, evaluating the efficiency or insufficiency of *soft law* instruments. A fundamental initial objective of the research would be to verify whether the subsidiaries in Brazil that fall under the scope of the Law are aware of it, and whether they have started to take measures to comply with it. The methodology developed to reach them was organized in two fronts, as will be better detailed in the following items.

The development of German legislation begins in 2016, when the German government adopted the National Action Plan (NAP) for implementing the Guiding Principles for Business and Human Rights². Aimed at encouraging voluntary corporate responsibility policies, the NAP had a low uptake³. In the assessment finalized in 2020, it was concluded that only 13% to 19% of companies had satisfactorily incorporated the human rights due diligence guidelines as per the NAP, which inaugurated the process of building binding legislation that created supply chain due diligence obligations for German companies⁴.

During the project, several challenges were encountered and overcome by the team, and the entire research process will be analyzed in the sections of this document.

² Available at: <https://www.auswaertiges-amt.de/blob/610714/fb740510e8c2fa83dc507afad0b2d7ad/nap-wirtschaft-menschenrechte-engl-data.pdf>. Accessed August 2022.

³ Available at: <https://www.bmz.de/en/issues/supply-chains/background-supply-chains>. Accessed August 2022.

⁴ Ruhl, 2019.

2. Analysis of the German Supply Chain Due Diligence Law

In 2021, the German Supply Chain Due Diligence Act (LKSG) was passed. The process had its contradictions and was marked by skepticism and conflicting interests. A much debated point from the beginning was the ability of a German domestic law to regulate "international" cases, or as they say within private international law, "transnational facts", which would be essential for the effectiveness of the law, since the rule is the applicable law of the place of the damage. However, despite certain losses in the text during the approval, civil society was essential to advance the project, until its approval.

The text of the approved legislation imposes broad and strong obligations on transnational companies regarding due diligence in their production chains, but the true scope of the law and the possibilities of judicial accountability evasion of parent companies remain unclear. Therefore, research such as this is essential to discuss the aspects discussed in the text and to establish a broad and protective understanding of the law, in addition to encouraging companies to adapt.

German law establishes graduated due diligence obligations with reference to where each subsidiary and supplier is located in the supply chain. The law covers due diligence from production (including the extraction of raw materials if applicable) to distribution and delivery to the end consumer (*downstream supply chain*), provided it is included in the operations of the business itself and of direct service providers. Another concern brought up by the German civil society that accompanied the drafting of the law relates to the obligations of companies in the services sectors, especially financial services involving business financing.

Thus, at the first level of⁵ own operations and direct suppliers, all obligations of the law apply, and the company must take remedial actions to prevent, stop or minimize the extent of the violation. As for indirect suppliers, companies must identify, prevent and mitigate impacts only if they have

⁵ §2 Para 6 - The own business area within the meaning of this Act covers every activity of the enterprise to achieve the business objective. This includes any activity for the creation and exploitation of products and services, regardless of whether it is carried out at a location in Germany or abroad. In affiliated enterprises, the parent company's own business area includes a group company if the parent company exercises a decisive influence on the group company

substantiated knowledge that abuses have occurred. In such cases, the company should develop and implement a plan to that end.

There is still discussion regarding the obligations with indirect suppliers, which are explicitly mentioned in the legislation but require "substantial knowledge", which is not yet well delineated since the BAFA documents have only started to issue clarification reports. Importantly, however, the law advances the risk-based, preventative approach adopted by the UN Guiding Principles to proactively identify risks and violations along the chain. ⁶

The *Supply Chain Due Diligence Act* states that the following companies are covered by the law:

- Companies, regardless of their legal form, that have their main office, main place of business, administrative headquarters, or registered office in Germany.
- From 2023: companies with at least 3,000 employees (including temporary workers), that is, approximately 600 companies in Germany.
- From 2024: companies with a seat or main office in Germany covered by section 13 of the German Commercial Code if the seat or office has at least 3,000 or 1,000 employees.

The law further emphasizes that "in case of affiliated companies (falling under Section 15 of the German Stock Corporation Act), the employee figures shall

⁶ In the case of indirect suppliers-that is, the extended supply chain-the LkSG requires that companies take action and for instance carry out a risk analysis only when they have grounds for believing that human rights abuses or environmental damages have occurred ("substantiated knowledge," § 9 Para. 3 LkSG). It is, however, precisely in the extended supply chain that the vast majority of human rights abuses and environmental damages occur. The Initiative Lieferkettengesetz therefore criticizes this provision: It stands in contradiction with the preventive and risk-based approach taken by the UN Guiding Principles on Business and Human Rights (UNGPR), according to which companies are to work proactively and with priority to address the gravest human rights abuses and environmental damages in their supply chains-regardless where along the supply chain they occur https://lieferkettengesetz.de/wp-content/uploads/2021/11/Initiative-Lieferkettengesetz_FAQ-English.pdf

be considered jointly. Temporary workers and employees who are expatriate employees shall also be accounted for"⁷.

Although the legislation indicates the initial number of 600 companies required by the law to implement the measures foreseen therein, there has been no publicization of which companies these would be. Although the law clarifies some parameters about the subject companies, no official listing has been provided by the government and the agency responsible for enforcement of the law, the *Federal Office for Economic Affairs and Export Control* (BAFA).

The LKSG describes in its Section 2 the definitions and scope of the rights covered by the law, and lists in its annex the human rights and environmental conventions. Briefly, the rights covered refer to:

- Child Labor
- Forced Labor
- Slavery and work analogous to slavery
- Non-observance of work safety standards
- Disrespect for the right of free association
- Discrimination against employees and workers
- Deny a decent wage
- Human rights violations linked to environmental damage
- Illegal removal of people and illegal appropriation of land, forests and water
- Use of violence by security forces

As for environmental risks, the law is limited to covering some prohibitions stipulated by the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.⁸

⁷ Available at:

<https://wirtschaft-entwicklung.de/en/helpdesk-on-business-human-rights/questions-and-answers-on-the-due-diligence-act/#faq-answer-2>

⁸ It is noteworthy that all of the accords referred to also serve, at least indirectly, the protection of health, which is a human right. Other key environmental concerns, such as the climate or biodiversity, are not addressed by the Act.: https://lieferkettengesetz.de/wp-content/uploads/2021/11/Initiative-Lieferkettengesetz_FAQ-English.pdf

The attached listing of conventions also indicates the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights⁹.

As for the obligations specifically provided for in the law, these are mainly:

- 1) Risk management system (here the so-called *main risks* are addressed)
- 2) That there is a person responsible in the company for the due diligence issue, and that such person is active on the directive board
- 3) Regular risk analyses
- 4) Issuing a company policy
- 5) Preventive measures in company activities and in relation to direct suppliers (include purchasing policy and training)
- 6) Remedial measures (including the provision for suspension or termination of the contractual relationship),
- 7) Establish complaint mechanisms
- 8) Establish due diligence obligations for indirect suppliers
- 9) Documentation and production of reports.

A major flaw in the law is the possibility of judicialization, since non-compliance with the law does not guarantee civil liability before German courts, even if there is no impediment. The sanctions provided for are administrative in nature, with fines and a ban on entering into public contracts. The

⁹ "The Lieferkettengesetz Initiative criticizes the Act for setting standards for human rights-based prohibitions that sometimes fall short of the international standards from which they are derived: In several places, the Act refers to provisions applicable in the jurisdiction of employment. The intent and purpose of enforcing universal human rights, however, is precisely to overcome the shortcomings of local law. With regard to decent wages, for example, the Act stipulates that compensation must conform, at a minimum, to the minimum wage set by the applicable (mainly local) law. National minimum wage standards, however, are often inadequate to ensure the protection of the internationally recognized right of workers to an income that provides them and their families with an adequate standard of living. The term "at a minimum" in the text of the Act - together with the reference in the Act's rationale to the effect that the local cost of living of workers and their families, as well as social security contributions, must be taken into account in calculating what constitutes an adequate wage - should be interpreted as requiring that companies be required to pay a wage in excess of the minimum wage to the extent that the minimum wage is inadequate, i.e., does not provide workers with what they need to meet their needs. basic living expenses. In the spirit of the German legal system's principle of respect for international law (Art. 25 Sent. 1 of the Constitution, GG) and in the interests of internationally operating companies, the elements defining the scope of other prohibitions in the Act must also be interpreted in harmony with the corresponding international standards and the clarifications of the UN treaty bodies. In addition, the rationale of the Act makes it clear that companies may use their exemplary list of risks as a starting point for their risk management, but that they should not restrict themselves to this list. § Para. 2 Para. 12 The LkSG prohibits any other conduct not already covered by the prohibitions in paras. 1-11, which is likely to cause a particularly serious and obviously unlawful violation of human rights. As a result, companies should not see themselves as a safe harbor just because there has been no violation of 2 Nos. 1-11 LkSG appears. They must also ensure that no other serious violation of the law occurs. The law does not explicitly define when a violation is to be considered particularly serious. The courts will have to decide on a case-by-case basis." https://lieferkettengesetz.de/wp-content/uploads/2021/11/Initiative-Lieferkettengesetz_FAQ-English.pdf

monitoring will be done through the submission of reports with audits by the controlling authorities. Monitoring may take place *ex officio* or upon request, and companies are obliged to hand over information and documents when so requested by the BAFA.

It is also important to highlight the relationship of the LKSG to other European frameworks and the possible contributions of the approval of the new "European Directive".

The Draft Directive on Corporate Sustainability Due Diligence was released by the European Commission on February 23, 2022. The Directive is based on the BIICL-led Study on due diligence requirements through the supply chain (the EC study), published on February 24, 2020. This was also followed by a European Parliament Resolution with recommendations to the European Commission on due diligence and corporate responsibility, which included a Draft Directive in March 2021. In early December, the EU Council adopted its negotiating position ("general approach") on the Directive. Czech Minister of Industry and Trade Josef Sikela made a statement on this achievement:

"We have worked hard over the last months to reach this Council position today. For the EU to reach its climate and sustainability goals and to ensure the protection of human rights, it is important that companies identify and prevent, bring to an end or mitigate the impact of their activities on human rights and the environment. Responsible behaviour for companies producing clothes, mobile phones and other everyday use objects is also something European customers start caring about more and more."

Claire Bright and Lise Smit have published a paper summarizing some key points covered by the Directive:

"Key overview points include:

The Draft Directive sets out duties for companies to undertake due diligence for actual or potential adverse human rights and environmental impacts in their own operations, those of their subsidiaries and established business relationships in their value chains. It largely builds on existing international standards such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises and related guidance.

It applies to certain large European and non-European companies that operate in the single market, and within two years will expand to mid-cap companies that operate in certain 'high impact' sectors.

Adverse human rights and environmental impact are defined with reference to a list of international conventions contained in an Annex. It provides for administrative oversight by public bodies, which includes powers to investigate and impose sanctions.

It provides for civil remedies for victims.

It requires large companies to set out plans to combat climate change.

It sets out a duty of care for directors requiring them to take into account the consequences of their decisions for sustainability matters, including human rights, climate change and environmental consequences in the short, medium and long term.

It also contains provisions in relation to voluntary model contractual clauses, and public support by Member States."

We observe, therefore, the consolidation of the issue of "business and human rights" in different spheres when we consider the gain in European competence with the future approval of the Directive to also negotiate an international treaty on business and human rights. Although the competence of states will prevail in some aspects covered by the new European norm, such as the modalities of sanctions, it can be expected that the Directive will also stimulate adaptations in legislation already approved, or in the process of being drafted by member states, since legal uniformity is an important element for conducting business throughout the Bloc.

An excellent analysis of these different competencies and contributions raised by national, regional and international processes can be obtained in the study developed by several non-governmental organizations and academics, such as Professor Markus Krajewisk (BERNAZ; KRAJEWSKI; MOHAMADIEL; ROUAS, 2022). The complementarity between these different initiatives is presented in the text, as summarized in the excerpt below:

"The competence of the EU to adopt the CSDDD is based on Article 50 and Article 114 TFEU. Both provisions give the EU the competence to legislate internally: Article 50 TFEU contains powers of the EU to adopt legislative measures in the field of coordinating company law while Article 114 TFEU enables the EU to adopt measures concerning the approximation of laws affecting the internal market. Most internal EU acts relating to economic matters are based on that provision. The competence of the EU to adopt the CSDDD based on these provisions seems straightforward and has not been disputed by any Member State so far.... It should also be noted that the Member States remain competent in the field of human rights and environmental due diligence of companies until the EU adopts its own internal legislative instrument covering this area."

Thus, a broader conception of environmental protection is expected in national due diligence legislation on the value chain, an aspect that can be considered key to the European Directive, as well as more efficient complaint

mechanisms with the possibility of consulting civil society and workers in the bodies that monitor business activity. In 2021, this environmental perspective was reinforced with the adoption of Resolution 48/13 at the UN Human Rights Council. This establishes the human right to a safe, clean, healthy and sustainable environment, and also Resolution 48/14 created a Special Rapporteur on the promotion and protection of human rights in the context of climate change. All 9 EU member states sitting on the Human Rights Council (Austria, Bulgaria, Czech Republic, Denmark, France, Germany, Italy, Netherlands, Poland) voted in favor of the resolution. This suggests some agreement, at least in certain EU countries, that human rights and environmental issues go hand in hand.

In summary, the space for the affirmation of binding human rights and business standards, with a focus on new standards for due diligence, definitely seems to have expanded, while at the same time proving to be one of the main manifestations of this agenda that is being addressed by different public and private actors, as can be concluded from the debates held during the panel entitled "Advancing mandatory human rights due diligence" during the last Forum on Business and Human Rights at the United Nations Human Rights Council.

3. Methodology

3.1 Analysis of the Law

As for the analysis of the Law, the methodology used was document analysis (FONSECA, 2002, p.32) and bibliographic review (ECO, 1997), as well as the inputs gained by the experiences of exchanges carried out during the events in which the group participated throughout the project¹⁰ The primary documents investigated were: the English version of the German Supply Chain Monitoring Act, which is an official translation organized by the German government; the two governmental reports released to date (*Guidance on conducting a risk analysis as required by the German supply chain due diligence act; Beschwerde-verfahren organisieren, umsetzen und evaluieren*), the Form (*lieferkettensfalorgts-pflichtengesetz LkSG*) and the questions/answers presented by BAFA on the subject.

The literature review used, above all, the work of Prof. Dr. Markus Krajewski of the Center for Human Rights Erlangen-Nürnberg, Friedrich Alexander University, which approaches the law from the perspective of the enforcement of human rights, emphasizing the role of organized civil society. As well as the publications of Dr. Robert Grabosch, lawyer, notably his research developed for the Friedrich Ebert Foundation (FES), entitled *German supply chain due diligence act: Germany sets new standards to protect human rights*.

Not many academic studies on the Law are available, given the recent approval of the text, research is still in progress. On the other hand, civil society organizations have produced important documents. Among them, we highlight the work of the Initiative *Lieferkettengesetz*¹¹, known as the September Initiative, a coalition of 130 organizations that have influenced the approval of the law, and currently, its effectiveness.

Regarding the context study of the creation of the Law and its application in Brazil, it is important to mention that Homa has been active for 10 years in monitoring the human rights and business agenda, producing other analytical

¹⁰ These will be better detailed in item 5 of this Final Report.

¹¹ Available at: <https://lieferkettengesetz.de/>. Accessed on December 2nd, 2022.

work on National Plans of Action, the due diligence laws of other countries, and participating in the negotiations of the "Open-ended Intergovernmental Working Group on Transnational Corporations and Other Business Enterprises with Respect to Human Rights".

Homa is also part of Brazilian and international support networks for those affected by the damage caused by transnational companies in their territories. This articulation allows us to identify problems in the access to justice and in the enforcement of human rights, which contributes to our ability to recognize the limits and potentialities of the use of the German Law. Due to that, this expertise was mobilized in the construction of Resolution nº 5/2020¹², of the National Council of Human Rights, which establishes guidelines for state action on the agenda of human rights and business. And also, in the elaboration of the Bill 572/2022¹³, which proposes a National Framework of Human Rights and Business.

Finally, two workshops were held to validate the diagnosis. On September 22, with the participation of Prof. Dr. Markus Krajewski from the University of Erlangen-Nuremberg. Markus Krajewski of the University of Erlangen-Nuremberg, Ben Vanpeperstraete, senior legal advisor, European Center for Constitutional and Human Rights (ECCHR), Lissa Bettzieche, senior legal advisor, German Institute for Human Rights and Johannes Blankenbach, researcher for Europe and Eastern Europe, Business and Human Rights Center (BHRRC), in which the dialogue with those present allowed to overcome the gaps in understanding that involve the understanding of German legislation and its application. The other workshop took place on December 1st, with dialogue with justice institutions, unions, academics, and representatives of civil society organizations, to verify the questions of the Brazilian civil society about the Law.

¹² Available at:

<https://homacdhe.com/wp-content/uploads/2020/03/Resolu%C3%A7%C3%A3o-n%C2%BA5-2020-CNDH.pdf>. Accessed November 30, 2022.

¹³ Available at: <https://www.camara.leg.br/propostas-legislativas/2317904>. Accessed November 30, 2022.

3.2 Construction of company selection criteria and tools for data collection

To achieve the object **ii** of the research, four guiding questions were proposed a) are the instruments proposed in the Law sufficient to ensure human rights due diligence by German companies in Brazil? b) is there evidence of companies' compliance with the Law's *standards*? c) is it possible to identify that companies are aware of the Law; d) what efforts are needed to improve current actions?

Faced with the proposed questions, the research paths were set. The first task was to identify the universe of companies that fit into the scope of the Law and are operating in Brazil (1st cutout) and delimit which ones would be chosen for the research study. Currently, 1600 German companies operate in Brazil, being the Greater São Paulo region the largest German industrial production outside its national territory.¹⁴ The companies' data are disclosed by the Federal Revenue through public data of the CNPJ (Cadastro Nacional de Pessoa Jurídica), with the possibility of identifying the country of origin in case of foreign companies, but there is no identification of the number of employees of the companies.

On the other hand, the data only reveal companies that are organized as subsidiaries (branches or with foreign capital) of German companies. In Brazil there is no regulation that obliges companies to present direct and indirect suppliers. Here, the problem of identifying the value chain is presented, which in the country is always done on a case-by-case basis, based on the identification of the violating agent and the ability to lift the corporate veil to locate the connection with other companies.

Thus, the research would not be able to specify the universe of companies that would be covered by the scope of the Law operating in Brazil, so it was decided to build criteria, and based on them organize an active search to compose the 10 companies proposed in the project. Throughout the research, the study was

¹⁴ Available at:

<https://www.internationales-buero.de/en/brazil.php#:~:text=Around%201%2C600%20German%20companies%20reside,German%20industrial%20location%20outside%20Germany> . Accessed August 2022.

expanded to 15 companies, in order to encompass a greater diversity of productive sectors, including the different possible formats of companies foreseen in the scope of the Law.

3.2.1 Criteria for choosing companies

Three criteria were constructed to choose the companies that would be surveyed, aiming to meet the research objectives. If the law was created, from the recognition of the insufficient application by the companies of the National Action Plan, seeking to build an instrument that would oblige the adoption of human rights due diligence. So, the first criterion adopted was the presence of documented human rights violations of german companies in Brazil. This would make it possible to verify whether due diligence measures are being adopted that could make the reality of corporate action different.

Choosing companies where complaints have already been made about labor rights or human rights violations also allows us to assess the possible measures already implemented in terms of due diligence. In a recent study by *Moody's Analytics (2022)*¹⁵ on the persistence of risk in ESG management¹⁶, the authors concluded that companies with a history of ESG-related controversies are likely to have further events in the future. Thus, such an analysis will also allow to initially assess whether the changes brought by the German Value Chain Monitoring Act represent a positive impact for the reduction of violations.

To identify which companies figured in some cases, we chose to investigate databases of non-governmental organizations and repositories that pointed to the relationship of German companies operating in the country with risks of human rights violations. These repositories are built with different combined methodologies that organize data on company activities, in particular the database of the Center for Human Rights and Business.

¹⁵ PINEIRO et. al (2022). Measuring Persistence in ESG Risk Management Culture [White paper]. Moody's Analytics.

<https://www.moodyanalytics.com/whitepapers/pa/2022/stronger-esg-risk-mitigation-practices-link-ed-to-better-shareholder-returns> Accessed August 2022.

¹⁶ Environmental Social Governance is the nomenclature given to investments in corporate sustainability strategies to integrate environmental social and governance factors (GAO et al, 2021).

After surveying a universe of companies, the second criterion was applied: to verify which companies fit into the scope of the Law, as defined in section 1. And finally, aiming for the research to present a diversity of large productive chains, so that it does not represent a sample of any specific sector, the third criterion proposed was that the list of companies to be studied should include different sectors.

The application of the three selection criteria of the companies resulted in the document of their analysis per company (ANNEX I), through which it was arrived at the screening of 15 companies, which are: Allianz (financial services); Beiersdorf (manufacturing), Bayer (chemical and pharmaceutical), Boehringer (pharmaceutical), Bosch (engineering and electronics), C&A (apparel), Continental (automotive products), Ferrero (food), Mercedes -Benz (automotive), Unilever (consumer goods), P&G (consumer goods), Siemens (technology), Stihl, Thyssenkrupp (engineering), Volkswagen (automotive).

3.2.2 Construction of the indicators

The construction of indicators is a technique that has long been employed to ascertain the achievement of certain goals, and is also used for monitoring public policy and social change. As the Act under study aims to make German-based companies of a certain size meet best practices in supply chain responsibility with respect to internationally recognized human rights, by establishing a set of due diligence goals that serve as requirements for responsible supply chain management by these companies, it was necessary to develop some indicators that reflect these requirements in order to make the research evaluation as objective as possible.

The starting point for the construction of the indicators was based on the experiences that have been built for the analysis of the French Vigilance Law. The Sherpa organization has developed a reference guide for the analysis of surveillance plans based on the interpretation of the law, which served as a basis for the evaluation of various surveillance plans by the "Duty of Vigilance Radar"

initiative. The guide developed principles for analyzing the law, with evaluations of its progress in relation to the provisions of soft law instruments.

In the construction of the analysis indicators framework, other tools built to measure corporate social responsibility were also studied:

- Guiding Principles on Business and Human Rights;
- Due diligence regulations;
- Civil society indices for some specific industrial sectors, such as textiles and mining;
- OECD Due Diligence Guidance;
- Toolbox proposed by the *Danish Institute for Human Rights* to verify *compliance*, verification of human rights impacts, supply chain practices;
- Indicators constructed by the Center for Human Rights and Business to monitor slave labor.

It should be noted that these indicators were constructed between July and September 2022, as part of the first stage of the research. Later, in October 2022, the BAFA released the "Guidance on conducting a risk analysis as required by the German Value Chain Monitoring Act", presenting its criteria for evaluation, however, the analysis of the data found was already underway, making it unfeasible for the research to redo it using the new criteria presented.

However, a verification of the indicators developed by the research was performed, understanding that most of the BAFA criteria were covered by those constructed by the research, as will be analyzed in the next item. In the analysis of the data collected, some considerations were also made about the questionnaire prepared by BAFA and initial expectations about the performance of the organization.

The indicators developed by the research are not exhaustive and sought to guide the analysis of the companies within the initial research design with interviews. The indicators were organized in a table divided into nine main sections that reflect the requirements of the Law, and were grouped into five

themes for the analysis of the data collected, which are: establishment of a risk management system; designation of a responsible person; conduct regular risk analysis; publish a human rights policy; establish preventive measures in the business area and in the relationship with direct suppliers; carry out remediation actions; establish complaint procedures; implement due diligence obligations regarding risks with indirect suppliers; document and report.

3.2.3 Analysis matrix

After selecting the companies, the researchers needed to obtain more information about the company. To this end, an instrument was built with key data that needed to be collected from each listed company, making up the research instrument called the due diligence analysis matrix (ANNEX I).

This tool was produced by studying empirical research involving transnational companies and compliance with corporate social responsibility, such as the studies proposed by the *Danish Institute*, the Center for Human Rights and Business, the case of Porto-Açu analyzed by HOMA, and knowledge of the ESG indicator mechanisms. When information is available on public sites it is not indicated to conduct targeted quantitative and qualitative research (SIQUEIRA; LACERDA, 2020). Therefore, the previous study of companies, based on information provided in official channels of the company or civil society.

The matrix was structured by sections: a) identification: year of beginning of operations in Brazil and number of employees; b) data on human rights policy: if it is a member of the Global Compact; if it adopts the Guiding Principles guidelines, the OECD guidelines, the ILO guidelines; it uses the Principles for Responsible Investment (PRI) to build its risk assessment; c) supply chain policies: if it has a code of conduct for suppliers, carries out supply chain monitoring, if it can be identified indications of the adoption of prevention and correction mechanisms in practice; d) on impact monitoring, certification and auditing: if produces reports following the *Global Reporting Initiative* (GRI), has specific ISO certification, make use of Sustainability Indices; e) indication of a responsible person in the company for human rights issues; f) production of

documents and reports: produces periodic, transparent and accessible sustainability reports, produces human rights reports, indications that the human rights policy is linked to the board; g) establishment of complaint procedures: has complaint and grievance mechanisms.

A previous analysis of the collected material, based on the information made available by the companies themselves, is also fundamental for the elaboration of the other stages of the research, especially so that it maintains its originality and expected depth. Therefore, the construction of the matrix as a preliminary study of the listed companies generated subsidies for, in parallel to its preparation, the establishment of specific criteria and indicators capable of grounding the preparation of the other stages of the research.

Using the matrix model, the team collected the data from the companies' websites and civil society channels during the months of May, June, July, and August, being revised in November, involving six team members. The information that was not available on the site was labeled as: information not available.

3.2.4 Semi-structured interviews

Another instrument developed was semi-structured interviews (LAVILLE; DIONNE, 1999). At first we believed that the best way to obtain information about the knowledge of the Law and the adequacy of their internal policies would be listening directly to the companies. To this end, we prepared an interview script consisting of seven questions. The purpose of these questions was to establish a qualitative analysis of the companies' compliance with the law, in order to understand the nuances and specificities of each of the participants. The interviews would be conducted by our research team, with due authorization from the companies, to use the collected material aimed to fill gaps in a sample analysis focused on closed questions and information previously made available by the company. The exercise of direct contact with company representatives could generate material for analysis of the speeches of the leaders, their adaptability to the terms of the Law, as well as measure their concern about

human rights violations and their adaptability to the Brazilian context (LAVILLE; DIONNE, 1999; GOLDENBERG, 1997, SIQUEIRA, LACERDA, 2020).

In the research model involving semi-structured questions, these are built based on previous information made available by the agent participating in the research. From this information, questions are built to meet the demands of the research. In the case of the questions presented in ANNEX II, their formulation was intended to assess the companies' knowledge about the Law, as well as the adherence and contextual adaptability of the information presented by the international channels to the company's operations in Brazil.

However, the difficulty of access to the companies, especially with regard to establishing effective contact with the person responsible for the company available to participate in the research made this stage of the research unfeasible. The failure to conduct interviews with the selected companies in a timely manner is justified by some specific challenges. The first of these concerns the lack of contact information on the companies' websites. In general, the channels available refer to the consumer service and ombudsman sectors, which have a large volume of demand and did not direct the researchers to those who might be able to meet the demand. Of the 15 companies, some kind of contact was achieved, in August of this year, with 8 of them, of which: 2 are still waiting for a reply; 2 requested an invitation letter to be sent by mail; 1 requested that we fill out the standard SAC form available on the website; 1 requested that an invitation letter be sent via SAC; 2 sent communication contacts. Among the negotiations, telephone contacts were made to various sectors without reaching any service that could respond to the research demand. In dialogue with the German Embassy about the difficulty, it supported us by mediating contacts, through which we sent the invitation letter to four other companies on November 22, 2022, still without a response.

Given this scenario, some hypotheses were raised for the lack of success of the initiative: a) the execution time of the research, 7 months, did not allow a detailed analysis of the information that the company made available, but, the effective search for contact in the company; b) the companies themselves do not have adequate information, and the necessary accessibility, for researchers and other actors to be able to establish research partnerships; c) the Law is recent and

companies still do not feel comfortable to take public positions about it; d) companies do not want to participate in research like this, for fear of producing information that could damage their image, and even produce evidence against themselves.

Although the interview instrument was not implemented, the attempts to execute it corroborated important reflections about the feasibility of the Law in Brazil and its monitoring. In addition to reinforcing the importance of future research that directly reaches companies, through the people responsible for compliance with the law.

3.2.5 Questionnaire (survey)

The research also developed the a questionnaire instrument via resource available on Google (*Google Forms*)¹⁷. The choice of this research method is justified by the possibility of establishing a comparative picture among the surveyed companies, a probabilistic sampling capable of establishing more general and comprehensive indicatives about the Due Diligence Law and its applicability in Brazil. This *survey* was prepared based on the research foundations suggested by E. BABBIE (2001) and on the due diligence obligations established in the Law and studied by the group.

This survey, which is based on the articles of the German Global Supply Chain Monitoring Act, was named "Overview of the implementation of the German Global Supply Chain Monitoring Act by companies" and is organized into five sections that correspond to the due diligence requirements established in the legal framework, which companies must comply with: data about the company and the person responsible for compliance; knowledge of the Act; human rights, due diligence, and management policies; internal information about human rights and due diligence policies; and challenges for the company in relation to the Act. The sections are organized into short, multiple-choice questions.

Initially, the form was to be filled out by the person in charge of each company, which would be sent when contact was made for the interviews. The

¹⁷ <https://forms.gle/zZPvHq1GHt2dBPdi7>
<https://forms.gle/a9ZmcbsHVZhFr7bo6>

initial proposal was that with the form, more detailed information could be covered that would not be possible to access with the short time of the interview, besides allowing a better systematization and quantification of the information. In this sense, the form repeats some questions and themes from the interviews, taking on a complementary character between them.

Given the difficulty of direct contact with the companies and the time required to conduct the research, the forms were sent together with the invitation letters to participate in the research, for which the research consent form was inserted, which ensures the confidentiality of all information provided and the anonymization of data, respecting the guidelines of the General Law of Data Protection. This is because the research intends to establish general and abstract conclusions and not specific conclusions about each company.

As mentioned previously, the sending of the letters of invitation ended up being late for the research, given the difficulty of accessing the contacts of those responsible through the companies' websites. We did not get a response from any company, neither to participate in the research, nor to fill out the form sent along with the invitation letter. This implied that the use initially proposed for the form, namely, that the company itself would do it, and therefore assume a self-declaratory character, did not occur.

Despite this, the project team understood that the form continued to be an important tool for systematizing data, and that it could be used as a complementary mechanism to the analysis matrix, allowing a double checking of information. Thus, the form was readjusted so that it could be filled out by the research team itself. In the same way that the matrix was assembled, the data were located by means of an active search on the companies' *websites*, just as occurred in the construction matrix. With this new focus, the items that involved an evaluation of the company itself about its knowledge of the Law and challenges for implementation were evaluated based on the analysis of the company's statements in its official documents.

4. Matrix Analysis

To evaluate the range of obligations that the German law brings, the broad areas that the law brings were evaluated:

- 1 - Establishment of a risk management system and designation of a responsible person or persons
- 2 - Implementation of a risk analysis
- 3 - Publishing a policy
- 4 - Establishment of preventive measures
- 5 - Carrying out remediation actions
- 6 - Establishment of complaint procedures
- 7 - Documenting and reporting

Given that companies have not yet submitted their first report to the BAFA and the limited scope of the investigation, the research focused in the first stage on transparency through a survey in the official public channels of what is already done in terms of non-binding actions that companies have already been carrying out, in order to establish a baseline of how the law may impact the respect for human rights in production chains in Brazil.

Since the stages of the survey were not carried out with the companies, the team filled out the form developed to collect data from the public documents. As will be better detailed below, the information published on the Brazilian sites in most cases does not reflect the actions taken by the companies, which are disclosed only on the called global sites. The form was filled out in a first attempt based on the information on the Portuguese site, and, if the information was not available, on the global site.

4.1 Documenting and reporting

What does the law say? *Companies must present the risks and violations found, how the due diligence obligation is being fulfilled, and review for necessary adjustments. For the purposes of the report to be submitted to the German government, the BAFA has prepared a form that must be filled out and submitted to the BAFA annually.*

In the survey, we sought to assess the existence of disclosure on the companies' websites of annual human rights and/or sustainability reports, the disclosure of human rights policies and adherence to the main non-binding corporate and human rights policies and initiatives, the indication of prevention and remediation mechanisms, and complaint procedures, forms of impact monitoring, and the existence of a risk management and human rights officer.

Company	Internal Human Rights Policy	Supplier Code of Conduct	Annual Report
Unilever		On the Brazilian site the company publishes a procurement code that refers to the global sourcing strategy	
Ferrero	The global site also has a code of ethics in Portuguese	The global site also has a code of ethics in Portuguese	
VW	Although general information about internal policies is available on the Brazilian site, the policy is only available on the English sites		In Brazil, a Sustainability Yearbook is published with some data, but only the global report brings results on risk analysis and management in more detail
Allianz		There is a general code of conduct published in Portuguese on the global site	
Procter & Gamble		There is no Code, but there is an Expectation of responsible delivery	On the website they have sustainability reports from 1999 to 2015. From 2016 they have citizenship reports, in which there is a section on sustainability.
Bosch			
Thyssenkrupp	On the Portuguese site, there is a reduced Code of Conduct		

Boehringer	The company's code of conduct is available, but is very succinct like the global one; it mentions the existence of a policy, but does not make it available		
Bayer	On the site in Portuguese there is mention of the human rights policy in the compliance policy, but there is no access to the document in Portuguese		On the Brazilian website there are 5 local sustainability reports, between 2013 and 2017, when the last report was issued
Beiersdorf			
Continental		Business Partner Code of Conduct 2021 available in Portuguese on the global website	
Mercedes-Benz	Available in Portuguese on the global site		
C&A			
Siemens			
Stihl			

In green we highlight the documents available in Portuguese on the Brazilian site, in yellow the documents available in English on the Brazilian site, in orange the documents available in English on the global site, and in red the non-existence of documents. The criterion for considering the documents published in Portuguese on the Brazilian sites as sufficient was the substantiality of the information in relation to the existing global codes. If there was a document

published in Portuguese, but it was very small compared to the global document, it was not considered sufficient to be considered fulfilling of the transparency expectation.

It was possible to evaluate that slightly more than half of the companies prioritized the publication of codes of conduct for suppliers (with variations in terminology). Although an in-depth analysis of each document was not conducted, the vast majority of documents made available in Portuguese were insufficient in terms of expectations to suppliers, with reference to global strategies in English.

Although most companies already have in place global risk management strategies, and even some companies presented analyses of possible risks in the supply chains in Brazil, there is still no transparency regarding the monitoring and knowledge of risks in the country that is done in a clear and detailed manner. Of the companies, C&A and Ferrero were the only ones that provided a list of suppliers on the site in Portuguese, but with information in English¹⁸.

Besides the issues already pointed out, a possible problem in the application of the law concerns the accessibility of the information that will be included in the report to be disclosed by the companies. The French experience showed that most companies limited themselves to reporting in their surveillance plans the activities already performed by the companies, with reference to several non-consolidated documents, which made the integrated access of information difficult. During the collection of information for the present research, several difficulties were found regarding the accessibility of information, such as the reference to distinct human rights policies in different parts of the websites, broken links, information on initiatives and actions adopted without reference to dates, which made it even more difficult to understand the evolution of the companies' efforts in their due diligence duty.

¹⁸ Regarding the specifics of the fashion industry, we recommend reading the Índice de Transparência da Moda Brasil. C&A scored 70%, being the only company besides Malwee to achieve the score for the year 2021. Check: C&A - Where are my clothes made? - Site - Access on 23/12/2022

4.2 Establish a risk management system and designate a responsible person in the company

What the law says: Companies must establish an adequate and effective risk management system to meet due diligence obligations (section 3 (1)). Effective are those measures that make it possible to identify and minimize risks related to human rights and the environment and to prevent, end or minimize the extent of obligations related to human rights or the environment if the company has caused or contributed to these risks or violations within the supply chain. Risk management must be integrated into all relevant business processes through appropriate measures. In establishing and implementing its risk management system, the company should take into account the interests of its employees, employees within its supply chains and those who may otherwise be directly affected in a protected legal position by the economic activities of the company or by the economic activities of a company in its supply chains.

Establish a risk management system			
Does the company already have a risk management system in place? Does this system cover at least the human and environmental rights indicated by German law?	Was there a process for identifying stakeholders and vulnerable groups? Were stakeholders such as workers, unions, communities and other interested parties consulted in the process of establishing the risk management system? Is there an indication of the methodology for consulting them?	Has the production chain been identified? Are there clear elements that indicate the identification of all direct and indirect suppliers, and the establishment of action on the risks involved?	Is there an indication in the plan of the risks and harms identified? Is there a measurable indication and reasonable plan of action for managing the risks found?
Indication of the risk management system on the website or	Identification of internal and external stakeholders	Mention the identification of direct and indirect suppliers, and precision about the	Disclosure of the risk management system with analysis, evaluation

annual/sustainability report		origin of the products used	and monitoring methodology
In the existence of a risk management system, evaluation of its adequacy to the NAP or the law	Disclosure of the methodology for the identification and delimitation of stakeholders	Disclosure of supplier names, operating locations, number of workers, and potential risks identified	

The existence of some risk management system was also evaluated, at least the risk management in the processes of establishing commercial relations with suppliers. The expectation was that the companies, due to their size and business complexity, already had at least some type of risk management and *compliance* or ESG management structure, and also monitoring of the supply chain, which can be confirmed by the collected data .

Only C&A and Volkswagen indicated on their Brazilian websites that the chain is monitored in detail, in addition to training actions with suppliers. Volkswagen indicates the number of suppliers with "significant negative environmental impacts identified" and the number of relationships terminated as a result of the assessment conducted¹⁹. C&A, in addition to detailing how the monitoring of both direct and indirect suppliers is carried out, presents a map of the location of the level 1 production units²⁰. In the global data, there is more publicity and information about the monitoring of supply chains, with information

¹⁹ According to the website, Volkswagen highlights as significant negative impacts: "The impacts considered in the environmental assessment are: not having environmental documentation (Environmental License, AVCB, Ibama, Controlled Products, ISO 14001 Certificate, Water Resources Grant, reports and assessments that show compliance with the Operational License); not being in compliance with the current legislation on waste management, effluents, atmospheric emissions and noise and vibration monitoring; in addition, having environmental liabilities or infraction notices and public civil actions. With the procedural review carried out in 2020, which establishes that the suppliers that fail without sending the documentation are submitted to an internal escalation system in Purchasing, if the supplier does not send the documentation, it is blocked from new business in the VW Group. In 2021, the progress in reducing suppliers with actual and potential negative environmental impacts was notable, with 32 of the 46 verified suppliers having been addressed and reversed." Volkswagen - Relatostar 2021 - website - accessed 12/23/2022

²⁰ Tier 1 suppliers are the direct suppliers and their subcontractors: "companies making clothing, shoes, accessories, backpacks, belts, glasses, jewelry, ties, scarves, caps, gloves. Companies with embroidery process, laundries, printing on clothing." C&A - Monitoring process of our supply network - site - access on 23/12/2022

about certification initiatives and the adaptation of their reports to the GRI standard. Ferrero indicates in its sustainability report in Portuguese the disclosure of its level 1 cocoa and hazelnut suppliers, however, the information is in English.

In relation to the entry into force of the LkSG, we also sought to understand the impact of the law on the companies' current strategies with regard to the new obligations required. To verify this, we searched the official communication channels and annual reports for statements regarding changes or adjustments to comply with the law. Again, there was no information on the Brazilian sites regarding this item, and no mentions were found in the global reports of knowledge and adaptation to the German law of only 2 companies. The failure to make such information available to the Brazilian public possibly indicates the failure to take adequate measures to ensure the participation of stakeholders, especially workers and potentially affected parties, in the establishment and implementation of the risk management system, as provided in paragraph 4 of section 4.

Bayer, for example, mentions in its report that it will carry out activities at the level of its operations in Germany and the European Union, but does not yet indicate directions as to how the dialogue with the main affected parties will be heard and included in the necessary discussions²¹. Stihl mentions in its latest report that it is prepared for the entry into force of the new law, and claims to go beyond the new requirements. However, the information disclosed in the latest reports is very brief. For example, regarding the dialogue with stakeholders, the company limits itself to describing that it carries out dialogue actions with workers, suppliers and non-governmental organizations, but does not present the methodology employed and indicators and targets for the action. In relation to the production chain, it limits itself to pointing out the percentages of each subsidiary in the acquisition of raw material, but does not present any evaluation of risks that

²¹ "Bayer is also an active participant in the current discussion on due diligence with respect to human rights at the EU level and on the implementation of the requirements stemming from the German Supply Chain Due Diligence Act at the national level. Together with a partner, we conducted a Bayer Straight Talk in October on the EU's human rights due diligence initiative, featuring participants from politics, law, civil society and industry. At the 8th Wiesbaden Compliance Day, we presented initial experiences from the implementation of our due diligence program. We established a cross divisional and cross-functional working group to implement the requirements stemming from the German Supply Chain Due Diligence Act." Bayer - Sustainability Report 2021

may be involved in each region. Besides mentioning work accidents at the production plants themselves, there is also no information about possible violations that may have occurred and how the mitigation and remediation processes were operated.

Companies should understand that the duty to report must be done in a thorough manner that allows not only the BAFA to view their due diligence efforts, but also serves as an element of empowerment for the workers, unions, and affected people in the supply chain themselves, especially to identify those indirectly involved.

"The Act on Corporate Due Diligence in Supply Chains gives us a legally binding framework that defines the requirements for responsible management of supply chains. Our project is geared toward that, and the milestones are defined accordingly. Thanks to our longer-term focus on sustainable supply chains at STIHL, the law has not caught us off guard. On the contrary, we are very well prepared for its introduction, and we strive to go above and beyond the new requirements. In my opinion, the act helps to steer supply chains toward more sustainability and raise awareness in the public debate. Nevertheless, I think it's important to define a standard legal framework at both a European and global level"²².

Designate a responsible person or persons in the company	
Is there a person responsible for monitoring risk management? What are the attributions of this person within the company's governance?	How is management involved in the knowledge and implementation of risk management?
Indication of a sustainability/human rights manager (or analogous)	Disclosure of the risk management flow and its integration into decision making

What the law says: *The company must ensure that it is determined who within the company is responsible for monitoring risk management, for example by appointing a human rights officer. Top management must seek information regularly, at least once a year, about the work of the person or persons responsible.*

Regarding the designation of a responsible person, we sought information about the indication on the website or reports about a responsible person for the area of sustainability and human rights. All companies presented in their global strategies at least one person responsible for sustainability strategies, and human rights.

²² Stihl - Supply Chain - The long haul - site - access on 12/23/2022

All members of Boehringer's company management board sign the Code of Conduct. However, there is no mention of any specific sector to which such a code is linked. Among the board members, none of the functions they perform is directly linked to sustainability or human rights.

In Brazil, C&A did not indicate the existence of a specific position of responsibility, but informed that "The CEO, as the main executive, is responsible for all the areas that directly or indirectly report to him, including those that deal with economic, environmental and social issues"²³. Only Volkswagen published the name and position of the director responsible for the Sustainability area.

In the form disclosed by BAFA, companies are asked about the periodicity of the risk analysis. In addition, in its unfoldings, it seeks to obtain information about the adequacy and effectiveness of the analysis through answers about the stages, the methods of risk analysis, and, mainly, the sources used, the identification, assessment, and prioritization methodology when a concrete risk is identified, and to what extent the information about risks and violations obtained in ombudsman mechanisms reflected in the integration of the interests of potentially affected persons in the risk management procedures.

The form seeks to identify which risk management procedures are used to identify violations in the business area itself, at direct suppliers, and at indirect suppliers, which presupposes integration into all relevant business processes, as described in the text of the law.

The questions seek to ascertain the effectiveness of the risk management system in appropriately considering the interests of affected or potentially affected persons at the time of its establishment and at the time of review of this review system, which is in accordance with the law. Most of the responses require supplementation with free-text justifications, but no indication from the BAFA of what the expectations are regarding compliance with the actions. As for the requirement for a responsible officer, the report adheres to what is required by law, as it seeks information on the person responsible for overseeing risk management and the establishment by senior management of a regular reporting process on the work of this designated person at least once a year.

²³ C&A - Annual Sustainability Report 2021

4.3 Conduct regular risk analysis and publish policy

What the law says: *As part of risk management, the company must conduct an appropriate risk analysis in accordance with paragraphs (2) to (4) to identify the human rights and environment-related risks in its own business area and at its direct suppliers. The identified human rights and environment-related risks must be weighed and prioritized appropriately. The criteria listed in section 3 (2), among others, are decisive in this regard. The company should ensure that the results of the risk assessment are communicated internally to the relevant decision makers, such as the board of directors or the purchasing department. The risk analysis should be performed once a year, as well as on an ad hoc basis if the company should expect a significantly changed or significantly expanded risk situation in the supply chain, for example due to the introduction of new products, projects or a new field of business. The results of report processing according to section 8 (1) must be taken into consideration.*

Perform regular risk analysis		
Has a comprehensive and an ad hoc risk analysis been established? Is there a clear methodology for supply chain risk analysis?	Is there a clear flow of information on risks and violations found during the risk analysis process? Is there a policy or code of conduct that incorporates the results found? Is there training to understand the risks found and what measures should be adopted?	How often is the risk analysis performed? Are there permanent ways of monitoring the risks?
Information about the sources of information used and frequency of consultation	Internal communication mechanism for decision makers	Disclosure of the periodicity of the risk analyses
Detailed identification of risks and serious damage	Is there identification of who they are and training to empower the decision makers?	Disclosure of other forms of ad hoc risk analysis

Description and analysis of the identified risks		
Prioritization of identified risks		
Action plan according to risk levels		

The company should issue a policy statement on its human rights strategy. Top management should adopt the policy statement. The policy statement should contain at least the following elements of a company's human rights strategy: 1. the description of the procedure by which the company meets its obligations under section 4 (1), section 5 (1), section 6 (3) to (5) and sections 7 to 10, 2. the company's priority human rights and environmental related risks identified on the basis of the risk analysis, and 3. the definition, on the basis of the risk analysis, of the human rights and environmental related expectations placed by the company on its employees and suppliers in the supply chain.

Publish a policy
Is there a human rights and environmental policy? Are the rights listed in the law and other instruments (such as Guiding Principles, ILO Principles, etc.) clearly identified? According to the risks involved in the risk analysis, is there a statement as to which rights the company seeks to respect? Are expectations set regarding intra- and extra-group scope?
Disclosure of which <i>soft law</i> instruments (UNGP, ILO, OECD) it respects, on the website or management report
Disclosure of respect for national and international human rights regulations on the website or management report

Elaboration and dissemination of a specific human rights and sustainability policy in its own operations and in the supply chain

Conducting a risk analysis should be one of the first steps to be taken in order to adapt to the new law, followed by the development of a human rights and environmental policy that minimally addresses the rights set forth in the law, what are the expectations of compliance within its operations and in relation to suppliers. As a first step in the assessment, we sought to verify the existence of policies and their mention in codes of conduct within the group and for suppliers, as reported in the first item of this report, and the express provision of which rights would be minimally covered.

In this item, we verified the mention of seeking to respect the Guiding Principles, the OECD Guidelines for Due Diligence, and the Fundamental Principles of the ILO, which most companies reported seeking to respect. In a second step, we also tried to identify which rights, within those specifically listed in the law²⁴, are listed in their policies or documents regarding risk management. We verified that the main rights addressed are those referring to labor rights (which are also the most explicit in the laws).

However, a minority of companies explicitly highlighted the identification of these rights in their production chain, and when it was done, it was always in their business areas or *upstream* processes, and few in *downstream* processes. Some companies presented materiality matrices where they indicated the evaluation of importance of such rights in their risk assessment, but without demonstrating which risks were found and their correlation with specific sectors, the adoption of an appropriate governance for each risk and measures adopted by departments, a scalable mapping of risks with targets. Ferrero presented an assessment and prioritization of risks within each area of operation, including in its first human rights report released in 2022.²⁵

²⁴ Regarding "prohibiting an action or omission in breach of duty that is directly likely to damage a protected legal position in a particularly serious way and whose illegality is evident after a reasonable assessment of all relevant circumstances," evaluating this would require a more in-depth analysis of all the documents, which is not the scope of the present research.

²⁵ Ferrero Group - First Human Rights Report - 2021 - pdf - access in 23/12/2022

In relation to the analysis of supplier risks, the actions are divided into supplier qualification processes through supplier evaluation systems, certifications and audits. There is still great emphasis by most companies on certification processes and audits, but without indicating the direct engagement with these processes and even with sectorial initiatives for broad monitoring processes to be effective. Ferrero mentions in this sense the dialogue with other actors, recognizing the weakness of the companies' usual practices:

"As some of the sustainability challenges faced in different supply chains are deep-rooted and complex, we partner with NGOs, scientists, universities, local and national authorities, like-minded companies, industry bodies, suppliers and other stakeholders to achieve our ambitions. When we assess that due diligence, traceability and standards are not enough to improve the "quality" of our supply chains, we invest directly together with trusted partners to make an impact: key partnerships are described for each of our main raw materials throughout this chapter²⁶".

Other companies mention, albeit without detail, involvement with non-governmental organizations, civil society and affected people, and also the evaluation of complaints made in the media, such as Bosch. The company's 2021 "Sustainability Report", available only in English, details the company's risk management plan. Here, it mentions verification of respect for human rights along the chain:

*Given the particularly high risk associated with the field of raw materials extraction from an environmental and social perspective, we have set this as one of our initial priorities. That is why in 2020 a detailed risk analysis was carried out to systematically identify the raw materials of relevance for the Bosch Group that could pose significant risks, particularly in the deeper supply chain (see Fig. 20). **We have drawn on reports from nongovernmental organizations (NGOs) in order to include the views of those affected. We have also taken into consideration violations that have come to our attention through media reports.** The risk analysis was subsequently supplemented to include additional aspects, such as the future business orientation and the raw materials requirements of our divisions.*

*We take into account sustainability aspects at an early stage when selecting potential suppliers in accordance with our company-wide guidelines. (...) As part of the regular assessment of suppliers' sustainability performance, we have so far had two established methods for on-site verification: CSR quick scans and more comprehensive CSR drill-deep assessments. (...) **CSR quick scans are based on a checklist of specific criteria relating to the environment,***

²⁶ Ferrero Group - Sustainability Report 2020 - pdf - access in 12/23/2022

occupational health and safety, and human rights. *Supplementary questionnaires are used for selected groups of materials - for example, for visits to suppliers and sub-suppliers of lead-acid starter batteries or to logistics service providers. CSR quick scans are carried out by qualified Bosch associates from purchasing or quality functions as part of regular on-site visits to suppliers. If a supplier does not satisfy the minimum requirements of the CSR quick scan, it is required to make improvements by implementing appropriate measures. **Under the requirements, however, the supplier does not receive any new business until the review is successfully completed.***²⁷

Bayer presents a socio-environmental responsibility report specifically on the actions carried out in Brazil, the latest document being dated 2017. The document contains information on training conducted aimed at training the market, but without specifying whether issues on risk monitoring and rights violations are addressed.

In relation to agriculture it presents information about the development of actions to develop the actions outlined for its environmental responsibility of sustainable agriculture, specifically aimed at adopting best practices and obtaining certification. However, only in the topic referring to the Management of Water Systems there are concrete indicators relating to the reuse and treatment of water at the company's operating sites in Brazil. Despite being mentioned in several parts of the document the dialogue with employees, partners and other stakeholders, there is no evidence that a systematic risk analysis has been carried out, nor the definition of targets, disclosure of violations found, prevention processes, remediation or mitigation. The issue such as the use of pesticides in Brazil, which has been widely denounced by various civil society actors, is not mentioned at any point in the document²⁸.

C&A presented the most transparent and material process. In the Brazil Fashion Transparency Index 2020, the company was the one that presented the best overall index. In Brazil, of the companies surveyed C&A is the only one that has a sustainability site entirely in Portuguese, with all the information that the foreign language site has, with detailed information about the process of monitoring suppliers, conducting training with suppliers, a map of tier-1 suppliers, audit results with remediation actions, and expectations that the violations found

²⁷ Bosch - Sustainability report 2021 - pdf

²⁸ Bayer - Social and Environmental Responsibility Report 2017 - PDF

will be resolved within an adequate timeframe. The report presents the preparation methodology, data on equal working conditions indicators with a focus on gender inequality, human rights training with number of hours and percentage of associates who received the training.

"Until early 2015, the auditors were organized within SOCAM, an independent company created especially for monitoring C&A's supplier network. In 2015, considering the challenges of the supply network, which transcend national borders, a global department was created, the Sustainable Supply Chain - SSC, which responds in Brazil to the Executive Committee and also to a Global Board of Directors"²⁹.

Volkswagen also presents its Report in Portuguese, with some more specific information about the existence of a risk management focused on human, labor and environmental rights, and indicators and targets. However, in the social responsibility item, the only existing targets are related to the increase in the number of women in executive positions, managers, and executive managers, and social responsibility targets related to energy efficiency, CO2 emission, reduction of fossil energy use, waste management and water consumption³⁰.

There is an indication of the existence of an environmental and energy policy, which was unavailable during the consultation period. There is information about the Executive Committee in SAM (South America, Central America and the Caribbean) and in Brazil, with the presence of positions such as VP of Procurement, and Director of Corporate Affairs and Press Relations for the SAM Region and Sustainability at Volkswagen do Brasil, with an indication of the name, but without contact details. Despite the limitations of the data presented, Volkswagen was one of the only companies that presented information on the execution of its *Global Together4Integrity* program in Brazil, which addresses, in general, compliance and corruption issues, but without identifying specific information on risks and violations of rights addressed by German legislation.

As for suppliers, the company discloses information about the supplier selection process, and according to engineering, quality, sustainability, and logistics requirements. The criteria are related to environmental risks and social impacts, and there is a disclosure of the number of suppliers with identified

²⁹ C&A - Monitoring process of our supply chain - site - access on 12/23/2022

³⁰ Volkswagen - Relatostar 2021. Our factories - environmental audit

negative environmental impacts, the number of terminated relationships, and an indication of the existence of negotiation processes to improve standards. Volkswagen highlights the requirement as to the commitment to the eradication of child and slave labor, and that *"The management of child and slave labor is monitored and evaluated by the Business Partner Verification, by quality audits and also by the Sustainability Rating. If irregularities are identified, the Procurement area together with Legal and GRC (Governance, Risks and Compliance) define the pertinent actions for resolution. Volkswagen do Brasil's target is that 80% of its suppliers have a sustainability rating of A until 2025. This goal is intended to minimize the actual and or potential significant negative impacts on forced or slave-like labor in the value chain as a whole."*

Mercedes-Benz also discloses its methodology of materiality analysis for sustainability, employees, and human rights³¹, with clear targets and indicators on the fulfillment of what was established. Specifically, in relation to the use of raw materials in its production, the company has already identified 24 minerals with high human rights risks that will have their production chains assessed individually. Currently, there is already an indication of 7 areas of attention (cobalt, mica, lithium, aluminum, and 3TG), where it indicates some actions that have been taken, such as desk-based research, dialogues with NGOs, but still adhering to certification requirements and participation in industry-wide initiatives. Only in relation to cobalt, which is not supplied directly by the company, the company disclosed the results of an audit carried out between 2019 and 2022, with a list of the suppliers evaluated. The information includes the criteria that were evaluated, among them human, labor, and environmental rights, and the results found and remediation actions adopted, such as offering training³². As for the engagement with stakeholders, it points out examples of instruments it uses to dialogue and include stakeholder participation in its risk analysis.

³¹ Mercedes-Benz - Sustainability Report 2021. Sustainability Management - site - access on 12/23/2022, Mercedes-Benz - Sustainability Report 2021. Social Compliance - site - access on 12/23/2022 and Mercedes-Benz - Sustainability Report 2021. People Materiality and Goal - site - access on 12/23/2022

³² Mercedes-Benz - Our activities in the cobalt supply chain - website - access on 12/23/2022 and Mercedes-Benz - Auditing by RSC Global: Detailed Findings 2021. Pdf - access on 12/23/2022

4.4 BAFA Expectations

The form is limited to ascertaining the identification of environmental and human rights risks, which are listed in the law, and to listing the suitability criteria listed in Section 3 (2). In this question, which seeks to identify the occurrence of internal communication of the results of the risk analysis, the form goes a little further by attempting to collect specific information on who does the reporting, how it occurs, and how often, while also addressing accountability to top management. This question on the form sticks to the limits established by law and tries to find out if an event-related risk analysis was done so that several factors that may have been determinants for this analysis are listed. At the end, there is the questioning about the incorporation of the whistleblower/hearing procedures as foreseen in Section 8 (1). About the publication of a policy, the form asks whether it exists or is updated based on the risk analysis and whether management has issued the statement, both of which are provided for in the law. In addition, it seeks information about publicity and accessibility, to which target groups it has been communicated, and what elements, enumerated in the law, are present.

4.5 Establish preventive measures in the business area itself and in relation to direct suppliers, carry out remediation actions, implement due diligence obligations regarding risks with indirect suppliers

What the law says: *If a company identifies a risk in the course of a risk analysis under section 5, it must take appropriate preventive measures in accordance with paragraphs (2) to (4) without undue delay. The company shall establish appropriate preventive measures in its own business area, in particular: 1. implementing the human rights strategy in the relevant business processes set out in the policy statement, 2. developing and implementing appropriate procurement strategies and purchasing practices that prevent or minimize identified risks, 3. providing training in the relevant business areas, 4. implementing risk-based control measures to*

verify compliance with the human rights strategy contained in the policy statement in its own business area. The company should establish appropriate preventive measures regarding a direct supplier, in particular: 1. consideration of expectations related to human and environmental rights when selecting a direct supplier, 2. contractual assurances from a direct supplier that it will meet the expectations related to human and environmental rights required by the company's top management and address them appropriately throughout the supply chain, 3. the implementation of initial and further training measures to implement the contractual assurances made by the direct supplier according to #2, 4. agreeing on appropriate contractual control mechanisms and their risk-based implementation to verify compliance with the human rights strategy at the direct supplier. The effectiveness of the preventive measures must be reviewed once a year and on an ad hoc basis if the company should expect a significantly changed or significantly expanded risk situation in its own business area or at its direct supplier, for example due to the introduction of new products, projects or a new business area. The results of report processing in accordance with section 8 (1) must be taken into account. The measures must be updated without undue delay, if necessary.

Establish preventive measures in the business area itself and in relation to direct suppliers	
Is there an action plan for risk mitigation and violation prevention? Are indicators established to demonstrate the effectiveness and efficiency of the prevention measures?	Is there dissemination and training of stakeholders to learn about the policy and actions to be taken for prevention?
Mention the human rights strategy in relevant processes	Conducting training and working groups
Procurement and supply chain policy and strategy	
Control measures (audits, inspections, early warning mechanisms)	

Preparation and publication of a risk mitigation and major damage prevention action plan	
---	--

If the company discovers that a violation of a human rights-related obligation or an environment-related obligation has already occurred or is imminent in its own business area or at a direct supplier, it shall, without undue delay, take appropriate corrective measures to prevent, end or minimize the extent of this violation. Section 5 (1) sentence 2 applies accordingly. In its own business area in Germany, the corrective action must put an end to the violation. In its own foreign business area and in its own business area according to Section 2 (6) sentence 3, the corrective action must generally end the violation. If the violation of an obligation relating to human rights or the environment at a direct supplier is such that the company cannot resolve it in the foreseeable future, it must draw up and implement a concept for ending or minimizing the violation without undue delay. The concept must contain a concrete timetable. In drawing up and implementing the concept, in particular the following measures should be taken into consideration: 1. the joint development and implementation of a plan to end or minimize the violation with the company that caused the violation, 2. joining forces with other companies in industry initiatives and industry standards to increase the ability to influence the entity that causes or may cause harm, 3. a temporary suspension of the business relationship while efforts are made to minimize the risk. Termination of a business relationship is only necessary if 1. the violation of a protected legal position or an obligation related to the environment is assessed as very serious, 2. implementation of the measures developed in the concept does not remedy the situation after the time specified in the concept, 3. the company has no other less severe means at its disposal and increasing the ability to exert influence has no prospect of success.

Perform remediation actions

Is there the establishment of a scalable and measurable plan that takes into account the remediation, minimization, or cessation of damage?	Do you participate in multisectoral initiatives as prevention measures and as forms of remediation?	Is there the establishment of escalating actions in identifying violations? Is there a clear methodology for identifying serious harm, and establishing and using remedial measures and eventual termination of business relationships?
Publication of a major damage remediation action plan	Participation in multi-sector initiatives with specific actions for remediation	Specification of the actions to be taken
Dialog and evolution of remediation measures		Dissemination of methodology for identifying damage and establishing remediation measures
		Establishment of a methodology for ad hoc evaluation of the measures adopted

The company shall establish the grievance procedure under section 8 in such a way that it also allows people to report human rights or environmental risks as well as breaches of human rights or environmental obligations that have arisen due to the economic actions of an indirect supplier. A company should adapt its existing risk management system as defined in section 4 in accordance with paragraph (3) below. (3) If a company has actual indications suggesting that a violation of a human rights-related obligation or an environment-related obligation at indirect suppliers may be possible (proven knowledge), it shall, without undue delay and as warranted 1. perform a risk analysis in accordance with section 5 (1) to (3), 2. establish appropriate preventive measures in relation to the responsible party, such as the implementation of control measures, support in the avoidance and prevention of a risk or the implementation of sectoral or cross-sectoral initiatives to which the company is a party, 3. elaborate and implement a prevention, cessation or minimization concept and 4. update its policy statement in accordance with section 6 (2), if necessary.

Implement risk-related due diligence obligations with indirect suppliers	
Are there grievance mechanisms that cover the actions of indirect forcers?	
Existence of complaint mechanism, identification of stakeholders and disclosure	Existence of procedures foreseen according to Section 9, Para 3

Although BAFA does not require the disclosure of suppliers, in the research it was minimally assessed the mention of evaluation processes of subsidiaries, contractors and suppliers regarding risk mapping. Regarding direct and indirect suppliers, the companies' actions vary between certification processes, supplier evaluation through self-assessment processes or supplier qualification in their own selection systems, and participation in external sector initiatives. Here we highlight the wide use of the EcoVadis rating platform, which performs a sustainability evaluation process of suppliers. In addition, they also mention the performance of independent audits to verify compliance with the requirements set out in their Codes of Conduct for suppliers, conducting training with suppliers on *compliance* issues - with a greater or lesser focus on environmental, labor and environmental issues. It is important to highlight that few of the companies analyzed have carried out and published the concrete results of Human Rights Impact Assessment, with information about the results found, which are the main issues identified in each part of their operations and the actions taken.

The companies that employ raw materials in their chain, even if not directly, such as Mercedes-Benz, are seeking to carry out actions to evaluate their impact on the value chains of these materials, especially conflict minerals and palm oil. For example, in relation to Palm Oil, Unilever has a specific complaint procedure³³ and publishes a list with the names of its Palm Oil suppliers³⁴, without specifying which country they operate in. Although no specific data was found about the

³³ Unilever Palm Oil Grievance Procedure - pdf - access in 12/23/2022. Also in relation to Palm Oil, the company conducted a case study in Indonesia where it conducted an extensive risk analysis of the palm oil chain, which is available at Unilever - Sustainable Sourcing 2021 - Forest Footprint Report, Aceh, Indonesia case study

³⁴ Unilever's Palm Oil Suppliers 2021 - pdf

outcome of this mechanism, Unilever discloses in detail the data of the supplier audits carried out and the main findings by right and by country, with Brazil being in 4th place in the number of non-conformities found for the year 2020³⁵.

Regarding remediation measures, the companies still disclose very little data regarding the measures taken. Some mention that they engage with direct suppliers to make adjustments, especially when the non-compliance is related to some safety or environmental adequacy in the place of operation, they offer training processes on rights, and when the issues are not solved, they inform that there was the termination of relations. Some companies mention sustainability as a factor for new supplier contracting, through the rankings established in their supplier platforms.

As already mentioned in a previous topic, Ferrero was the only one to conduct a human rights assessment of its entire operation, with a demonstration of the main risks in each area of operation, even though monitoring and remediation measures are still being implemented, and engagement in the full traceability of its inputs such as cocoa and hazelnut. Ferrero was also one of the only companies that contains in its Human Rights Policy Statement the respect for human and environmental rights defenders, with expectations that suppliers also recognize and respect them, as do Mercedes-Benz and Unilever.

A conclusion consistent with the results found concerns the way companies seem to be moving in incorporating LkSG into their operations, and will depend on the way the BAFA will carry out its supervision. A worrisome position is that taken by Bosch, which clarifies that the accountability of risks is still decentralized, being "assumed locally on all group management levels, with certain governance tasks being organized at the corporate level. This means that, as far as possible, risks are identified and managed where they arise: in other words, above all the divisions and their regional subsidiaries. The latter are also primarily responsible for introducing measures to reduce or control risks." With the law's emphasis on more direct and specific obligations on operations in its own business area, such as subsidiaries, it is expected that the level of monitoring and action by the main office will also be higher, and with a more integrated risk

³⁵ Unilever Human Rights Progress Report 2021 - pdf

management process for operations in rights. As of now, what we have seen is that, if implemented, the risk management processes in Brazil are still far short of what the law provides for.

The questions on the BAFA form seek to identify the preventive measures that have been taken to prevent and minimize the priority risks defined in your own risk area, so the measures are put into alternatives. Along with this, the implementation of a procedure to verify the effectiveness of such measures is questioned. Among the preventive measures listed on the form are training in relevant business areas and the implementation of risk-based control measures, leaving a space to describe additional measures.

In comparison to the law, it can be seen that there is no explicit provision for developing and implementing appropriate procurement strategies and purchasing practices that prevent or minimize the risks identified in the express question alternatives. The questions seek to identify the preventive measures that were taken in the reporting period to prevent and minimize priority risks implemented at direct suppliers by determining which human rights or environmental risks were prioritized for these suppliers. It should be noted that the questions are also repeated for indirect suppliers, and the risks listed are limited to the provision of the law. The form seeks to identify whether a process has been defined and implemented to verify the effectiveness of the preventive measures previously listed, starting with a description of them. On this point, there is not the same density as in verifying the effectiveness of the risk management system.

Furthermore, the instrument first deals with the situation of identifying violations in the behavior of direct suppliers and, in case of a positive response, to analyze whether the corrective actions taken resulted in the termination of the violation. The questions arise in order to analyze a possible termination of the business relationship, motivated by the violations and seek to analyze the impact on the termination of relationships due to serious violations, and the effectiveness of the measures taken.

4.6 Establish complaint procedures

The company shall ensure that an appropriate internal grievance procedure is in place in accordance with paragraphs (2) to (4). The grievance procedure allows

individuals to report risks related to human and environmental rights, as well as violations of obligations related to human or environmental rights that have arisen as a result of a company's economic actions in its own business area or of a direct supplier company. The receipt of reported information must be confirmed to the person who reported the information. The people in charge of the company implementing the procedure must discuss the facts with the people who reported the information. They can offer a friendly settlement procedure. Companies may instead participate in an appropriate external complaint procedure, provided that it meets the following criteria. The company establishes rules of procedure in text form that are publicly available. The people entrusted by the company with conducting the procedure must offer a guarantee of impartiality; in particular, they must be independent and not bound by instructions. They are bound to secrecy. The company shall make publicly available in an appropriate form clear and comprehensible information about accessibility and responsibility and about the implementation of the complaints procedure. The complaints procedure must be accessible to the potential parties involved, must maintain the confidentiality of identity, and must ensure effective protection against disadvantages or punishments arising from a complaint. The effectiveness of the complaints procedure must be reviewed at least once a year and on an ad hoc basis if the company expects a significantly changed or significantly expanded risk situation in its own business area or at the direct supplier, for example due to the introduction of new products, projects or a new business area. The measures must be repeated without undue delay if necessary.

Establish complaint procedures	
Is there a permanent complaint mechanism? Is this procedure performed by an independent official?	Is the mechanism secure and able to avoid reprisal from its users? Is there publicity in the disclosure of how the procedure works, the referrals made, and solutions forwarded? Does the mechanism cover all people whose rights may be affected by the company's activities and within the scope of due diligence, such as affected communities? Is there clear identification of these people and groups in the establishment of the mechanism?

The rules are available in an easily accessible format for those interested	The confidentiality of the denunciation is assured and the existence of mechanisms to avoid reprisals
The procedure is monitored by an external auditor and impartiality is assured	Were the parties involved in the development and evaluation of the mechanism?
There are mechanisms for evaluating the effectiveness of the procedure	

As for complaint mechanisms, this was the only item that it was possible to identify in both Brazilian and global sites. Volkswagen, for example, has a local complaint channel via a telephone number that forwards to the complaint channel at headquarters and is carried out by an attendant and an interpreter, and by e-mail. P&G and Unilever have exclusive complaint mechanisms for Palm Oil, and disclose the specific results of the complaints received, with information on the measures adopted³⁶.

BAFA Expectation: The form seeks to assess the existence of a grievance mechanism, the forms that have been provided (whether an internal, external or combined procedure), which stakeholders have access and how access to the mechanism is disclosed and ensured, what steps have been taken to avoid retaliation, and information on the effectiveness of the procedure. Companies should report on the number of complaints received, how many were resolved, and stakeholder involvement in the design, implementation, and review of the effectiveness of the measures.

³⁶ Unilever's Palm Oil Grievance Tracker (updated July 2022) - pdf and P&G Palm Grievance Tracker (updated June 2022) - pdf

5. Concluding Remarks

Bosch, which was the only company that has published Surveillance Plan according to the French Law, published a document of only 3 pages, referring constantly to sustainability reports. So far, the documents released by the BAFA do not bring new elements of how the enforcement of the law will be done. In an interview, Torsten Safarik, President and Chief Controller of the BAFA, pointed out that the agency will act based on criteria of appropriate action - the efforts undertaken by companies in relation to their capacity for action - and substantiated knowledge, which will certainly put civil society organizations, workers and unions, and other affected parties in a position to understand the value chains, systematize complaints, and report to the German government.

It is already possible to see that, especially in relation to the more nebulous points in the value chains, transparency issues will continue to be a problem, given the opacity of the data made available by the companies. Even in the business areas themselves in Brazil, there is a great disparity regarding the ESG strategies adopted by the companies, at least in what is contained in the published information, although even the processes in the central units still have many deficiencies. Despite the fact that the first reports have not yet been sent to and evaluated by the BAFA, and despite the prominence in the law and in the subsidiary guides highlighted by the BAFA, there is a need to further analyze the meaning of the companies' concept of risk, and which perimeter should be established in terms of the approach to the most prominent risks and the criteria for the adequacy of the measures when evaluating the company's actions. In the French case, organizations have already highlighted that most plans drawn up by companies still focus mostly on the concept of risks to companies, and not risks to third parties and the environment (Renaud et. al, p. 10, 2019).

6. Report of Activities Performed

In order to fulfill the general and specific objectives of this research, analyzing the consequences of the German Law of Due Diligence in the Supply Chain and trying to answer the adaptation of internal policies and the performance of companies that are in Brazil and are submitted to the scope of the law, the team from Homa - Center for Human Rights and Business, in continuation of the independent studies carried out over the last few years on corporate accountability for human rights violations, has dedicated itself to studying the law in depth, its challenges and advances, as well as the discussions that permeate it, seeking to understand the scenario in which it will be introduced, based on the specific study of how each of the chosen companies operates.

Thus, throughout the seven months of research, we had internal meetings that allowed the consolidation of understandings about the law, as well as several specific events, whose exchange with other researchers on the subject and civil society added a lot to us. This topic is dedicated to describe the activities developed and the discussions that were put into vogue in each of them.

a) *Meetings*

At first, it is important to say that, in order to meet the proposal embodied in the present research, due to its complexity, the form of work developed by the Homa team sought to subdivide the researchers into lines or fields of action. Thus, there were four meetings, called "general" meetings, which had a quorum composed of all researchers, and all the others were duly segmented according to the demands and specific objectives concerning the moment of the project. In this way, the research was divided among four main groups: that of general coordination, responsible for conducting the work, direct contacts with the German Embassy, organizing events, assembling the team, administrative, financial, reviewing and directing each stage; that of communication, responsible for disseminating the news pertaining to the research on Homa's official channels and social networks; the methodology, responsible for structuring the selection

criteria of the companies and tools for data collection, construction of indicators that would guide the research, preparation of the invitation letter, the term of commitment, the form and the questions that would be asked in the interviews, as well as the management of each methodological stage; and finally, the fellows, who supported the organization of events, the search for specific data in each stage of research, and the preparation of relevant documents, besides providing all the necessary support for the realization of this work.

On June 22, 2022 (when the start was released by UFJF), a first general meeting was held with the presentation of the research proposal and objectives by the general coordination of the project, in order to define the first steps. In it, it was established that the first task would be an accurate reading of "The German Supply Chain Act (LkSG)", nicknamed by us as the "German Due Diligence Act". In addition, the reading was to be accompanied by brief notes on an online, shared document in which first impressions of the Act were established, especially with regard to the concrete obligations imposed on companies. A common folder was also created in Google Drive, so that everyone had access to a library of materials on the topic of Due Diligence that should be studied previously, starting the document analysis and the bibliographic review that introduced the methodology used in the research.

The following week, on June 30, 2022, the group responsible for articulating the methodology to be used met to discuss the general lines of the project and establish the basic goals by which the project would be structured. On July 30th, there was another meeting of the group, which also included the general coordination of the research, to debate and consolidate the studies of documents and instruments related to the theme, and to direct and divide up the activities to be carried out. Again, on August 3rd, the associated researchers met to discuss the construction of the analysis indicators, which would act as parameters for evaluating compliance with the Law by the selected companies and the resulting effectiveness of the legislation.

Following on from the work, a second general meeting was held on August 5th, 2022, at which the first broad view of the schedule that would guide the entire research was outlined, on the construction of indicators and criteria for selecting

the companies, and on the evaluation of the document analysis and literature review. As far as the methodology is concerned, it was agreed that the undergraduate fellows would be responsible for filling in a table with information about the companies. This table would work as a guideline, pointing out which data could be absorbed from the companies' virtual channels (starting with the Brazilian website and going all the way to the company's global website), data that refers primarily to essential aspects regarding Due Diligence. To complement the table, two other meetings were held, on August 11 and 15, between the associated researchers and the fellows, in order to collectively build the analysis on how to collect the data and the results obtained.

The post-graduate researchers would be responsible for the abstract analysis of the law and the development of methodological criteria for the development of the research, data treatment, and choice of target companies (a main list and a supplementary one), which was presented in a meeting of the methodology group on August 25th, when a meeting was held to analyze the difficulties faced so far.

On August 29th, 2022, the proposed meeting covered especially the undergraduate fellows, the meeting took place in person at the Homa room at UFJF and was aimed at the conception and preparation of an invitation letter to companies and a term of responsibility for conducting the research. With the perspective of conducting an interview with representatives from the Due Diligence and Human Rights sectors of the companies, there was an urgent need to develop a formal way to make them aware of the research and be able to collaborate, which was consolidated in the documents produced. On September 1, 2022, there was a second meeting with the undergraduate scholars, this time online, so that it was possible to establish the parameters for the research regarding the initiatives on Human Rights issues developed by each sector and research on the contacts available in the companies' official means of communication. On September 16, the methodology team met to pacify the understanding of the content produced so far and to prepare for the next meeting.

The third general meeting held on September 28 was aimed at organizing a new stage of the project. From this meeting it was possible to forward both the

form (which would initially be answered by representatives of the companies) and the contact list. As the direct communication with the channels made available by the companies themselves proved to be difficult and mostly unsuccessful, it was agreed that we would ask the German Embassy for help in intermediating the contacts. Furthermore, it was pointed out the need to adapt the questions in the questionnaire and interviews to the specific purposes of the research, paying attention to the language to be used. Furthermore, it was foreseen the structuring of groups responsible for sending, monitoring the answers, and scheduling the interviews.

On October 20th a meeting took place between the project coordination and representatives of the German Embassy to deal specifically with the letter of invitation to the companies and the difficulty of accessing them. In this sense, the Embassy offered to help with this communication bridge, directly inviting the companies and providing the contacts of the appropriate people to participate in the interviews and fill out the forms. It was decided that the invitation letter would include a guarantee that the data would not be used individually, but that they would be used for a more comprehensive analysis of how the process of adaptation to the Law has been taking place. In addition, a report was given on the process of implementing the legislation in Germany.

Finally, on November 8, 2022, the last general meeting of the project took place. The final phases of the survey were outlined, including the final data analysis, the completion of the form, and the preparation of the final report. The form, even without the collaboration of the companies, relying only on the information available on their websites, already shows itself as an indication of transparency, so that its value to the investigation as a guide for the analysis of the data collected was evident. On this occasion, the relevance of including the interpretation presented by the BAFA, the analysis of the European Directive, and the comparison with other laws (such as the French and Norwegian ones) was also discussed.

b) Webinar

As part of the activities that complement and contribute to the research, a webinar via Google Meet was held on September 22, 2022, at 10 am, Brasília time, to discuss the legal and political aspects of the German Law on Corporate Due Diligence Obligations in Supply Chains. The event was open to all interested parties and publicized on Homa's media, with the participation of speakers Markus Krajewski, Professor at the University of Erlangen-Nuremberg; Ben Vanpeperstraete, Senior Legal Advisor at the European Center for Constitutional and Human Rights (ECCHR); Lissa Bettzieche, Senior Legal Advisor at the German Institute for Human Rights Rights; and Johannes Blankenbach, EU/Western Europe researcher and representative at the Business and Human Rights Resource Centre (BHRRC). Other social activists and civil society representatives were invited to contribute to the debate.

After the opening by Professor Manoela Roland, Homa's coordinator, who presented the Research Center and explained the initiative of the event, Professor Markus Krajewski presented a history and overview about the law. He justified the law as a result of data provided by the German NAP, indicating that only 13% to 18% of German companies performed Human Rights Due Diligence, generating an intensive campaign from civil society in search of a law to discipline the theme and propose direct obligations to companies. There was also an analysis about the scope and application of the law, also regarding suppliers, direct and indirect, as well as the particular risks to Human Rights that the law focuses on, besides reflections about its execution and a parallel with the European directive. Professor Markus also informed about the importance of researching, within the proposal of the present research, financing companies or companies that perform financing activities. Finally, he warned about the narrowing of the discussion, as occurred during the adoption of the UNGP, to inform about the need to regress in some points in order to focus on fundamental issues of global justice.

Following this, Lissa Bettzieche presented the strengths and weaknesses of the law, covering the Human Rights due diligence list of UN principles that were in the NAP, the scope and treatment distinctions for direct and indirect suppliers, and highlighting that there will be a need for adaptations and evaluations of the

document over the coming years, as it is an act with many political commitments. Lissa focused on the regulatory gaps for access to redress, where recourse to civil liability creates burdens of proof, high costs and other procedural obstacles, making access to justice difficult. He reported his belief that the complaint procedure under Sections 8 and 9 may affect risk analysis as a means of generating substantial knowledge, not necessarily generating remediation. In addition, he stated that the problem of guaranteeing access to remedy falls short of the act, and therefore he hopes that the issue will be addressed more effectively through the European Directive, taking into account the contributions and desires of civil society. To conclude, he explained the BAFA's role as an enforcement authority and its obligations to report on audits.

Researcher Johannes Bankenbach also contributed to the debate, defending the strengthening of the EU Directive proposal, highlighting the importance of BAFA's work with civil society and exposing some problematic points of the law related to purchasing practices. In his speech, he also mentioned the NAP and its low application among German companies, but he believes that companies that were already implementing the UNGP would benefit from the legislation. Finally, he concluded that the law is an imperfect regulation, but it is a beginning, a starting point for the effective protection of human rights against the systemic violations perpetrated by large corporations, so that its adoption is positive and brings relief to human rights defenders.

Next, the speaker Ben Vanpeperstraete tried to connect German law with the European Directive proposal based on his concrete experiences, contextualizing the scenario in which the rules are inserted in Europe. In this sense, he stated that the EU Directive proposal is stronger in the compliance strategy and that the environment commission presented amendments closer to the Dutch and Belgian proposals. In addition, he said that the EU legislators do not add new mechanisms for access to justice and do not see a problem with this, since the goal is to draw a line and not to hold companies responsible for all violations. Another problem pointed out was the definition of business relationship, as it creates uncertainty with the divergent conclusions of judges. When it comes to public enforcement, the Directive is closer to the German and

French proposals and with this suggests strict liability for the supply chain. Finally, he said that failure to perform due diligence in the first place causes damage. Furthermore, he drew a parallel between the German law and the French law, which only determines the creation and implementation of a plan, but does not deepen the competence issues, and explained that the German law does not establish a new civil liability, but the competence to judge is of the civil court, something that can be seen as overcoming the procedure if the parameter is the *loi de vigilance*.

Following the event, Homa researcher Anna Carolina Galeb presented the research proposal "Repercussions of the German Due Diligence Law in Brazil" and the methodology that would be used, in order to introduce and open the debate for questionings and external contributions. Among the debated topics, it is worth mentioning the questioning of Thales Cavalcanti Coelho, prosecutor of the Republic and head of the Working Group Companies and Human Rights of the Federal Public Ministry, about the possibility of applying the most beneficial law, being it the one incident on the place of the damage, being denied by the speakers Bem and Johannes, who added that the focus of the Law is given in ceasing the violation, but treats in a soft and superficial way the reparation of damages. Furthermore, Andressa Soares, Homa's Research Coordinator, brought up an important point to understand the scope of the Law: the questioning about the domestic branch answering for the entire economic group, although Lissa and Markus assured that only the domestic branch has to comply with the due diligence obligation and that the application would always be leveled below the parent company, being a downstream family relationship. Later, Almudena Abascal, head of Latin America at FIAN Germany, shared an analysis that argued due diligence is not the most effective tool for affected persons, but rather regulations that provide for binding obligations. Lissa commented on the statement saying that at the national level the Act is a step in that direction, in her opinion it is not possible to have a framework like the treaty in the next few years, first you have to go to the national level and then to the international level. Ben then added that he shared Almudena's analysis, also recalling that the German law seems to follow the UNGP, which causes real impacts on access to medicine

today. Next, asked about the BAFA's work, Professor Markus elucidated that the group has staff to supervise the companies, but it is not enough, which brings a lot of input from associations and lawyers and leads to a state-state cooperation to recognize the BAFA's work .

To close the event, professor Manoela Roland added that the key to an effective law is to empower civil society and workers, and with this she explained a little about the progress of Bill 572/22, which foresees a mechanism to inspect companies that don't withhold them as the only source of information, and has the purpose of dialoguing with a future binding treaty on Human Rights and Business.

The exchange of understandings, doubts, and suggestions among the speakers, researchers, and participants resulted in the consolidation of strategies and notes on the theme, heating up the discussion and broadening the group's views on the Law, its objectives, effects, obstacles, gaps, and positive points, as well as on the direction in which the research should be oriented.

c) Conferences

The research also included the participation of Homa in several national and international events, which provided spaces for training and joint discussion of the German Law, of other regulations involving human rights due diligence and of the international scenario involving the agenda of Business and Human Rights. The exchanges that took place at these events promoted learning and deepened understanding that were essential to the realization of this work.

Among the events included in the research activities plan is the participation in the 9th Latin American and Caribbean Conference on Social Sciences, organized by the Latin American Council of Social Sciences (CLACSO), at the National Autonomous University of Mexico (UNAM), on June 7-10, 2022. Homa, represented by its Research Coordinator Andressa Soares, participated actively in the event, as part of the panel on "Transnational Corporations and Human Rights", focusing on economies, crises of capitalism, development and popular alternatives, in which she approached the panorama of negotiation of the International Binding Treaty on Human Rights and Corporations and the initiative of the Framework Law on Human Rights and Corporations in Brazil, named PL

572/2022, which counted on Homa's participation for the development of its basic text. Soares was part of the panel on "Justice legal wars and legal studies", presenting the article "Human Rights and Companies: the developmentalist ideology, the corporate capture and the need for an international law from below", co-authored by Manoela Roland, professor and General Coordinator of Homa. Listening to specialists from all over the world and showing the research that Homa developed in a democratic space, which provides critical thinking on the subject, proved to be essential for the broad understanding of what the work proposes to bring, adding various visions, suggestions and notes on the previous analysis of the risks of corporate action and the prevention of Human Rights violations.

Another previously planned activity was Homa's participation, represented by the General Coordinator Manoela Roland, in the Global Conference of the ETO Consortium, in Nuremberg, and visit to the Research Center of Professor Markus Krajewski, from June 11 to 21. The professor took part in research seminars for master and doctoral students at the University of Nuremberg on Homa's work and the Human Rights and Business agenda in Brazil. Also, during the ETO Consortium Global Conference, she was part of the Public Panel to discuss national and international processes of regulation of extraterritorial economic activity, such as the German due diligence law, the European directive, the International Treaty on Business and Human Rights, and the Brazilian PL 572/2022.

There was also Homa's involvement in extra activities to the activity plan, which contributed to the debate surrounding the research by establishing spaces for training and discussion on the theme.

In this vein, Homa was present at the event " Corporate Power and Human Rights: Perspectives from the Global South", which occurred remotely and parallel to the 50th Session of the UN Human Rights Council on July 1st, 2022, represented by its General Coordinator, Professor Manoela Roland. The event, promoted by Justiça Global, aimed to strengthen the debate and pressure for a normative of corporate accountability in Brazil, especially the support for the PL 572/2022, a regulatory framework law on Human Rights and Business, which is in progress in the Federal Chamber. The event counted, together with Homa's

contributions, with the participation of Fernanda Hopenhagen, vice-president of the UN Working Group on Business and Human Rights; Fernanda Melchionna, federal deputy and co-author of PL 572/2022; Danilo Serejo, Global Justice advisor, quilombola from the Canelatiua community, in Alcântara (MA); Julia Neiva, member of Conectas Human Rights; Ana Luiza Queiroz, member of PACS - Alternative Policies for the Southern Cone); and Melisanda Trentin, from Global Justice.

In addition, Homa, also in the person of its General Coordinator Manoela Roland, participated in the VII Regional Forum of the United Nations on Business and Human Rights for Latin America and the Caribbean, which took place on July 13-15, 2022, in hybrid or face-to-face format at the Universidad Externado de Colombia, in Bogotá, as part of the organization of the Civil Society Preliminary Session space: "Rendición de cuentas para una conducta empresarial responsable", counting with the support of the Centro de Información de Empresas y Derechos Humanos (CIEDH) and in conjunction with PODER; Conectas Human Rights; Observatorio Latinoamericano de Derechos Humanos y Empresas de la Universidad Externado de Colombia; Oxfam Mexico; Proyecto de Derechos Económicos, Sociales y Culturales; A.C. ProDESC; and RedDESC. The event, organized under the Responsible Business Conduct in Latin America and the Caribbean (CERALC) project, has, over the past years, remained one of the most important on Human Rights in the Americas, and aims to provide a means for dialogues between governments, business, civil society and other stakeholders - such as indigenous peoples, workers' organizations and international organizations - to discuss corporate accountability and Human Rights.

In addition, events were held in Honduras (Friends of the Earth Latin America event), Ouro Preto (Seminar on the Balance of the Fundão Dam Crash), Brasília (German Embassy event), São Paulo (Training for the network of Brazilian researchers on Human Rights and Business) and Rio de Janeiro (talk for Petrobrás ombudsman), about the Homa projects and publicizing the project as provided for in the Funding Request submitted in January, 2022.

d) Workshop

To validate the research diagnosis, an event was organized by Homa on December 1st, 2022, via Google Meet, entitled "Possible Impacts of the German Law on Monitoring Value Chains in Brazil", which aimed to present to civil society and justice institutions the results of the research "Repercussions of the German Due Diligence Law in Brazil". The following are the discussions and contributions brought during the event.

Starting the workshop, Tchenna Maso, Homa's associate researcher, made a presentation of the Center and the research developed. She explained that the two objectives of the research were to understand the German law and to identify how companies operating in Brazil are adapting to it. As a challenge for this second objective, it was verified that collecting data directly from the companies would not be feasible, since they did not feel confident to contribute due to the incipient nature of the law. Thus, the research had to be adapted and conducted more actively based on the information published and available on the websites of these companies.

The presentation of the workshop was divided into five moments: presentation of the project, *the German Supply Act* in the global context, general aspects of the law and challenges, the data found and the regulation of the BAFA, and finally, there was an opening for questions and doubts.

Following the presentation, the professor and coordinator of Homa, Manoela Roland, exposed the main aspects of the law in the global context. To begin with, she explained that the adoption of the Guiding Principles was a gain in the establishment of due diligence, considering that this duty of vigilance was associated with business risk assessment, i.e., an attempt to predict losses in terms of investment based on risk theory. In this sense, only after the establishment of the principles and the creation of the Working Group on Business and Human Rights at the UN, the due diligence in human rights was adopted. This WG was responsible for producing a report in 2014 that aimed to encourage the internalization of the principles through National Action Plans, the first of which was produced by the United Kingdom.

The professor pointed out that today we know that the NAPs have not been fulfilled as expected and, for this reason, has driven the discussion at the UN about the need for binding norms on human rights and business from an international treaty, which is already in its ninth session of negotiations, under the leadership of Ecuador. There is, therefore, a negative diagnosis about NAPs. In the German context, a survey conducted by the government pointed out that only 13-18% of companies complied with Germany's NAP. Despite this, there is still a resistance over the drafting of the Treaty, and we can observe this from the predominance and protagonism in the discourse in defense, before the NAP and now the European Directive, to the detriment of the Treaty during its negotiation in Geneva.

On the other hand, she points out that due diligence laws do not escape self-monitoring and reflect the difficulty companies have in producing documents and information. Thus, due diligence is seen as a checklist and a means obligation, since if the company proves to have complied with the risk analysis it will not be held liable. In addition, the fact that companies operate in different states, characterizing their transnationality, contributes to the limitation of liability and reveals the need for extraterritoriality mechanisms.

Roland also emphasizes the need to note the importance of civil society, since the diagnosis of low adherence of companies to the German NAP contributed to the approval of the German due diligence law. Prof. Markus Krajewski, who participated in the Webinar organized by Homa and is an active figure in the context of the German law, clarifies the importance of the September Initiative that brought together civil society and created a platform to leverage the process of the law. Robert Grabosh, who is part of the Business & Human Rights Centre, also collaborates with this information and states that a lot of weight was put on the articulations of the state in relation to the elaboration of the German law.

To conclude her speech, Homa's coordinator made brief comparisons between the German Due Diligence Law, the French Surveillance Law, the European Union Directive and PL 572/2022. The French law has in its scope companies with more than 5 thousand employees, foresees a wider value chain

and is more generic, which generates some subjectivity and can lead to non-application of the law and legal uncertainty. The EU Directive, on the other hand, is aimed at larger companies and lies between French and German law. The German law foresees in its scope companies with more than 3 thousand employees in the first year of effectiveness and 1 thousand as of the second, but has difficulties in establishing civil liability, does not make clear the consultation with employees and civil society, and defines the production of an annual plan, but the government itself has not yet identified which companies will be bound. Finally, PL 572/2022 has another construction and is much broader and denser, containing provisions for monitoring the value chain in articles 2, 5 and 7.

Afterwards, Andressa Soares, who is also an associate researcher at Homa, made a presentation about the content and predictions of the law. Regarding Section 1, the law provides about the scope of application and in this sense there is a discussion about the scope of economic groups, when parent company and subsidiaries have different legal entities. In Section 2, there is the definition of the three main points for the supply chain, which are *business area*, direct suppliers, being those who respond directly to the company and have contracts linked to it, and indirect suppliers, who have distinct obligations and that companies will only be held liable in case of substantial knowledge of their violation, which generates uncertainty by the lack of precision of the term.

The obligations themselves are arranged between Sections 3 and 10, and the researcher highlighted how the logic of self-monitoring is present, since they are obligations of means, and not of result, regarding the effectiveness that is sought in Human Rights and Companies norms. Among them we have the risk analysis of "main risks", a vague term used to define the main or primary risks that are related to the company's core activity, and that may generate the exclusion of other risks during the course of business activities; the definition of a director responsible for monitoring; the adoption of preventive and remedial measures, providing only suggestions since the policy itself is developed by the company; the establishment of ombudsmen; and the definition by the company itself of which obligations it will apply to indirect suppliers, since the most direct obligations foreseen by the Law, which are the preventive and remediation measures, do not

apply to indirect suppliers, leaving it up to the company to define which obligations will apply to such agents, generating insecurity about their accountability.

In addition, Soares explains that the law is not capable of generating civil liability, because if the company does not comply with the obligations of the law, it is not possible to sue the German jurisdiction for non-compliance directly, being possible only in cases involving labor or human rights laws. The sanctions provided for are administrative, fines with a series of rules for application and, as a last resort, exclusion from public contracts.

Finally, the issue of monitoring these obligations was addressed, which will be done through reports audited by the BAFA, the German agency responsible for economic and export issues of transnational companies. This agency, which is not specific to human rights, will audit these reports and may carry out the monitoring ex officio or upon request, and in these circumstances the companies are obliged to hand over requested information and documents. The challenge, in this case, is to ensure the effectiveness of the monitoring by the body, since there is also no provision for sanctions in case of noncompliance with this obligation.

Following the presentation, researcher Anna, who is also coordinating this research, proposed to explain the methodology adopted and make some notes on the role of the BAFA, which will probably be the main body and the main bridge that we will have with Germany in future issues that may occur involving Human Rights and companies. In this vein, the estimate is that in the first year that the law is in force, 900 companies in Germany will be obliged to report to the BAFA, and, from 2024 on, the number will grow to 4800 companies. Therefore, it becomes necessary to understand how the agency understands companies, whether or not they are establishing an effective risk management system, whether or not the considerations about the differences and peculiarities of each country and the problems of each sector are being taken into account.

He then exposed the difficulty of accessing all the complexities of the value chains, a reason that, added to the short time in which the research was conducted, resulted in the consideration of the history of violations that occurred in Brazil as a criterion for the selection of the companies studied. Being well known, most of them have a greater impact on labor rights, which have great

focus in the Law, especially when it comes to issues involving slave labor, slavery-like labor, child labor, and inadequate remuneration. The normative brings the economic and social rights in a very comprehensive way, despite giving some emphasis to communities affected by certain enterprises, extractive activities or infrastructure; and from the environmental point of view, it is restricted to a few treaties, which deal with waste, issues involving the use of mercury and the like, being very conservative and not dealing with climate issues.

The methodology used in the research was established with three stages to be completed. The first consisted of an analysis of the public data issued by the selected companies, considering that they have a duty to publish their reports and the information on how they are developing risk management activities. Based on a survey of the companies' own documents and public communications on their websites, we concluded that there is a lack of information and transparency of this data. There is a lack of publicity in Brazilian channels about any kind of risk monitoring, and about how the monitoring is carried out in the supply chain. Few companies even disclose the existence of Human Rights policies, codes of conduct, or complaint mechanisms. The second and third step would be in direct contact with the companies themselves, through, respectively, an online form to be filled out by the companies and an interview to understand what they believe they would need to do, given the wide variety of obligations that are established along the value chain. As there is still a lot of vagueness about how each of the criteria established by the Law will be evaluated, the companies themselves are cautious about reporting their data and understanding to the BAFA, and end up not disclosing it. In any case, most subsidiaries in Brazil have not shown to have their own strategic risk monitoring policies.

Subsequently, a new reflection was conducted on the BAFA's performance and the difficulties in implementing its inspection actions. So far, three documents have been released by the agency: the first one contains the identification, variation, and prioritization of risks; the second one, which is still only available in German, deals with the complaint mechanisms, which will be one of the first channels to be established, through which companies and the BAFA will be guided as to the main areas, risks, and preventive measures; and the third one, which has

not yet been translated, consists in the disclosure of the information related to the form that will be requested by the BAFA.

Concluding her participation, the researcher exposed some of the criteria and concepts that have been debated for a long time regarding due diligence and still don't have a clear consolidation in the Law, making the human rights due diligence measures taken by companies follow what the guiding principles already determine, such as OSD's own guide, with some additions.

Professor Manoela Roland, general coordinator of Homa, articulating the implementation of the Law and the moment in which the agenda of companies and Human Rights is placed, proposed a reflection on the challenge of going beyond self-monitoring, with the control organs and all of society not only being hostage to the reliability of the information and documents made available by the companies for the due fiscalization and corporate accountability. According to the professor, if the Law becomes a new paradigm, monitoring is taken as satisfactory, and becomes a *modus operandi*. From then on, the restriction on the compliance with the Law's guidelines regarding self-monitoring can even favor companies that are violating Human Rights but do not have this disclosed, insofar as no irregularity is pointed out. When a new normative rule arises, but it is incomplete or insufficient, with several gaps, it generates a risk in the social sphere that the company will comply with the law and still corroborate violations, since the normative rule is limited or there are no tools even to prove that it is being complied with. This situation can even reinforce the invisibility of impunity, as it is difficult to deconstruct the image of a company that is in compliance with the law.

The importance of consultation in the formulation of the reports that will be submitted to the BAFA with potential affected people and workers was addressed, an issue strengthened in the European Directive, and the need to postulate this demand for consultation with society. In addition, there was discussion on how to develop a corporate policy from management on Human Rights, its challenges and prospects, and opening the debate to external contributions, which involved doubts about the possibility of retroactivity in direct accountability for lack of diligence, reaffirmation of the importance of the involvement of trade unions and

questions about their participation in the research, as well as questions about the scope of the general clause for the protection of Human Rights. All the contributions were discussed in groups, in order to systematize and collectively build the knowledge resulting from the meeting and the studies carried out.

d) Treaty Negotiation

Continuing the work in defense of human rights against violations perpetrated by transnational corporations that has been developed in recent years, Homa, which is part of the Global Campaign to Claim People's Sovereignty, Dismantle Corporate Power and End Impunity³⁷, represented by its General Coordinator Manoela Roland and by the researchers Andressa Soares and Tchenna Maso, participated in the 8th negotiation session of the International Binding Treaty on Human Rights and Corporations, of the Open-Ended Intergovernmental Working Group (OEIGWG), which took place at the UN Palais des Nations, in Geneva, Switzerland, on October 24-28, 2022.

The debate on the development of a corporate policy in defense of human rights against violations caused by transnational corporations has been going on since the 1970s, due to the absence of international normative frameworks that hold large corporations accountable for crimes and violations against human rights. Although, in 2011, the UN Human Rights Council presented the Guiding Principles on Human Rights and Business, their voluntary nature has not had the expected effects with regard to fair and effective redress for victims of human rights violations by companies. Since then, the advance of the dismantling of the State's presence in social life, the expansion of the business lobby, the human rights violations caused by these companies, and the impunity that falls upon them have led several countries and civil society to demand the

³⁷ Created in 2012, the Global Campaign to Reclaim the Sovereignty of the Worlds, Dismantle Corporate Power and End Impunity, called in this work the "Campaign", is a network that brings together more than 250 movements, civil society organizations and common affected by the activities of Transnational Corporations. The organization, created as a response to the frequent violations of human rights by companies, allows a global structure in search of visibility of resistance against the activities of large enterprises. More information available at: <https://www.stopcorporateimpunity.org>.

instrumentalization of a binding normative framework on the subject. Thus, three years after the presentation of the Guiding Principles, Resolution 26/9 was approved for the elaboration of the International Treaty on Business and Human Rights, which is being discussed by an intergovernmental working group within the Organization³⁸ as a way to put an end to the impunity of large companies.

The treaty seeks to provide effective protection for human rights in the face of crimes and violations committed by transnational corporations. Its proposal, in addition to the regulatory gaps in the laws regarding access to redress, seeks to regulate the civil liability of transnational corporations and states, taking into account the importance of the participation of civil society and other social institutions to systematize and collectively build practices that establish a non-negotiable basis and achieve legislation that proposes direct accountability to companies for lack of diligence and that proposes a reflection beyond self-monitoring.

Although the articulation of states and civil society in search of normative regulation of corporate economic power has achieved several advances, there are constant attempts to weaken the process by governments that agree with corporate conduct. An example was the proposal, in the seventh session, in 2021, to abandon the Treaty by adopting a framework convention, which would not have the mandatory character and the effective protection to human rights that the defended document aims to bring, supposedly so that an international consensus could be reached more quickly. In this way, the Campaign's actions, emphatically defending the Treaty, are essential to dismantle the architecture of impunity and the asymmetry of power that falls upon these companies.

This year, Homa, together with other Brazilian organizations, denounced the role of transnational companies in climate change in the Amazon and the advance of the mining sector on traditional territories and communities, corroborated by the flexibilization of environmental licensing and the dismantling of environmental protection, traditional communities and human rights agreed by the Brazilian government, in the figure of President Jair Bolsonaro. Together with the group Friends of the Earth, Homa presented the booklet "Advance of Transnational

³⁸ The Intergovernmental Open-Ended Working Group (OEIGWG).

Mining Companies in Brazil: predatory practices and resistance in the context of governmental setback", which emphasized the invisibilization of Human Rights and social inequality caused by the policies adopted in recent years.

In addition to the negotiations, there were other events accompanied by Homa that occurred in parallel and dealt with the importance of the Treaty, the due diligence laws and the current discussions on the agenda of Human Rights and Business, which involved social movements, unions and civil society organizations. Among them, there was the event entitled "The UN Binding Treaty Spills over: national and regional legislations regulating TNCs", which took place on October 24, 2022, as well as the event "Overcoming Corporate Capture of Government Decision-Making", held on the same day, which was attended by Homa's General Coordinator, Manoela Roland, and dealt with the topic of "corporate capture". Another event, "Pillars of an Effective Binding Treaty The Need to Establish Obligations for TNCs and Role of a Tribunal", took place on October 26, 2022, and featured speakers Andressa Soares, Homa's Research Coordinator; Adoración Guamán, Professor of Law at the University of Valencia; Joseph Purugganan, representative of the Focus on the Global South/Asia Task Force; Rasha Dayyeh, representative of PENGON - Friends of the Earth Palestine; and Ivan Gonzalez, member of the Trade Union Confederation of the Americas; to discuss the challenges to be faced in the future in the negotiation process of the Treaty, involving, specifically, two points that structure an effective instrument in the defense of Human Rights versus corporate action the need for adequacy to direct obligations for TNCs and the importance of enforcement mechanisms for the document, that is, of a Court that is responsible for judging companies that violate such rights. Finally, the event "The Right and Power to Say No to Corporate Violations: perspectives from the Global South" took place on October 27th and dealt with "the right to say no" to extractivism.

e) Documents produced and indicators

According to the indicators foreseen in the project, Homa produced two main reports, the partial, presented on September 5th, 2022, and the final, presented on December 31st, 2022.

A dossier on Due Diligence for the journal Homa Publica (which has international indexing and qualis A4) was published in June 2022, as the first activity of the project.

Regarding the interview indicators, due to the difficulty in contacting the companies, it was necessary to change the methodology. But the number of companies evaluated at the end was consistent with the indicators initially foreseen.

References

Continental Pneus. (2020). *Notas legais*. <https://www.conti.com.br/pneus-de-passeio/notas-legais>

Cadastro Empresa (2013). *Continental do Brasil Produtos Automotivos LTDA*.
<https://cadastroempresa.com.br/cnpj/02.036.483/0004-52-continental-do-brasil-produtos-automotivos-ltda>

Continental Pneus. (2021). *Turn Change Into Opportunity - Embrace Sustainability*. Integrated Sustainability Report 2021.
https://cdn.continental.com/fileadmin/_imported/sites/corporate/_international/english/hubpages/40_20sustainability/60_20reports_20_26_20principles/220414_continental_nachhaltigkeitsbericht_2021-en-final_for_publication_01.pdf?_gl=1

Continental. (2021). *Progress Arises from Change*. (n.d.). Annual Report 2021.
https://cdn.continental.com/fileadmin/_imported/sites/corporate/_international/english/hubpages/30_20investors/30_20reports/annual_20reports/downloads/continental_annual_report_2021_1_01.pdf?_gl=1

Continental. (2021). *Sustainable Natural Rubber Sourcing Policy*.
https://cdn.continental.com/fileadmin/_imported/sites/corporate/_international/english/hubpages/60_20company/60_20suppliers/20-supplier_20information/sustainable_20natural_20rubber_20sourcing_20policy/20210921_nr_policy.pdf?_gl=1

Continental. (2021). *Código de Conduta de Parceiros de Negócios*.
https://cdn.continental.com/fileadmin/_imported/sites/corporate/_international/english/hubpages/60_20company/60_20suppliers/20-supplier_20information/bpcoc/brochure_bpcoc_br_pt.pdf?_gl=1*19e19yb*_ga*MzIxNTUxMzUwLjE2NjAyNTQxNTM.*_ga_CXY4Q1X5YZ*MTY2MDU2NDA2Mi4zLjEuMTY2MDU2NjQyNS4w

Continental. (2022). *Memberships and Initiatives*.
<https://www.continental.com/en/sustainability/sustainable-corporate-governance/memberships-and-initiatives/>

Continental. (2021). *Respecting Human Rights*. Continental AG.
<https://www.continental.com/en/sustainability/sustainable-corporate-governance/respecting-human-rights/>

Continental. (2021). *Sustainable Investments*. Continental AG.
<https://www.continental.com/en/investors/about-us/sustainable-investments/>

Continental. (2021). *Environmental Strategy*. Continental AG.
<https://www.continental.com/en/sustainability/environment/environmental-strategy/>

Continental. (2021). *Responsible value chain*. Continental AG.
<https://www.continental.com/en/sustainability/sustainability-framework/responsible-value-chain/>

Continental. (2021). *Business Partner*. Continental AG.
<https://www.continental.com/en/sustainability/sustainable-corporate-governance/business-partner/>

Continental. (2022). *Organization and Management*. Continental AG.
<https://www.continental.com/en/sustainability/sustainable-corporate-governance/organization-and-management/>

Continental. (2022). *Sustainability Reports*. Continental AG.
<https://www.continental.com/en/sustainability/sustainable-corporate-governance/sustainability-reports/>

Juventude Judaica Organizada. (2022). *Continental Pneus e seu passado nazista*.
<https://jjo.org.br/2020/09/11/continental-pneus-e-seu-passado-nazista/>

Estradão. (2021). *Mercedes-Benz celebra 65 anos de Brasil e a evolução do transporte*. Estradão.
<https://estradao.estadao.com.br/caminhoes/mercedes-benz-celebra-65-anos-de-brasil-e-a-evolucao-do-transporte/>

LinkedIn. (2022). *Mercedes-Benz Caminhões e Ônibus*.
<https://www.linkedin.com/company/mercedes-benz-caminh%C3%B5es/about/>

Daimler. (2021). *Princípios de Responsabilidade Social e Direitos Humanos*. Daimler AG.
<https://group.mercedes-benz.com/dokumente/nachhaltigkeit/gesellschaft/daimler-principles-of-social-responsibility-and-human-rights-pt-20211124.pdf>

Mercedes-Benz Group. (2020). *Our Commitment to Human Rights*.
<https://group.mercedes-benz.com/sustainability/human-rights/>

Mercedes-Benz. (2022). *Código de Integridade*.
<https://www2.mercedes-benz.com.br/passengercars/the-brand/integrity-code/stage.module.html>

Mercedes-Benz Group. (2021). *Sustainability Report 2021*.
<https://group.mercedes-benz.com/documents/sustainability/other/mercedes-benz-sustainability-report-2021.pdf>

Mercedes-Benz Supplier Portal. (2022). *Sustainability management in the supply chain*.
<https://supplier.mercedes-benz.com/portal/sustainability>

Mercedes-Benz Group. (2020). *The Mercedes-Benz Human Rights Respect System*.
<https://group.mercedes-benz.com/sustainability/human-rights/hrrs/>

Mercedes-Benz Group. (2022). *Human rights in the supply chain*.
<https://group.mercedes-benz.com/sustainability/human-rights/supply-chain/>

Borges, B. (2014, September 8). *Mais de 80 empresas colaboraram com a ditadura militar no Brasil*. El País Brasil. https://brasil.elpais.com/brasil/2014/09/08/politica/1410204895_124898.html

UOL. (2018, May 2). *Mercedes-Benz investiga fornecedores após denúncia de trabalho infantil*.
<https://www.uol.com.br/carros/noticias/redacao/2018/05/02/mercedes-benz-investiga-fornecedores-apos-denuncia-de-trabalho-infantil.htm?cmpid=copiaecola>

Migalhas. (2012, February 23). *Mercedes Benz é condenada em dano moral coletivo por contratar operadores de produção por prazo determinado*.
<https://www.migalhas.com.br/quentes/150530/mercedes-benz-e-condenada-em-dano-moral-coletivo-por-contratar-operadores-de-producao-por-prazo-determinado>

C&A. *Sobre a C&A*. <https://www.cea.com.br/Institucional/Conheca-a-CEA#historia>

C&A. (2018). *Relatório Global de Sustentabilidade 2018. As estruturas globais fornecem uma bússola sobre sustentabilidade*.
<https://sustainability.c-and-a.com/pt/pt/sustainability-report/2018/nossa-abordagem/como-reportamos/iniciativas-globais/>

OECD Guidelines for Multinational Enterprises. (2013). *C&A Moda Ltda and individual*.
<https://mneguidelines.oecd.org/database/instances/br0022.htm>

C&A. (2021). *Relatório anual 2021*.

https://sustentabilidade.cea.com.br/pt-br/Documents/C%26A_RA_2021_Port_11.pdf

C&A. (2015). *Fornecedores*.

<https://www.cea.com.br/Institucional/Fornecedores>

C&A. (2015). *Código de Conduta para o Fornecimento de Mercadorias da C&A*.

http://e-cdn.cea.com.br/arquivos/downloads/CoC_Portuguese_brazil_oficial.pdf

C&A. (2020). *Estatuto, Políticas e Regimentos*.

<https://ri.cea.com.br/governanca-corporativa/estatuto-politicas-e-regimentos/>

OIT. (2017, May 2). *OIT fecha parceria com setor têxtil de São Paulo para promover trabalho decente*.

https://www.ilo.org/brasilia/noticias/WCMS_552340/lang-pt/index.htm

C&A. (2019). *Relatório de Sustentabilidade*.

<https://sustentabilidade.cea.com.br/pt-br/Paginas/relatoriosustentabilidade.aspx>

C&A. (2022). *Diretoria e Conselho - C&A. RI*.

<https://ri.cea.com.br/governanca-corporativa/diretoria-e-conselho/#:~:text=O%20Sr..ao%20Consumidor%20e%20Real%20Estate>

O Tempo. (2014, May 14). *C&A é condenada por trabalho análogo ao escravo em Goiás*.

<https://www.otempo.com.br/economia/c-a-e-condenada-por-trabalho-analogo-ao-escravo-em-goias-1.844542>

Diário de Pernambuco. (2021). *ONG acusa C&A e Hugo Boss de se beneficiarem do trabalho forçado de uígures*.

<https://www.diariodepernambuco.com.br/noticia/mundo/2021/09/ong-acusa-c-a-e-hugo-boss-de-se-beneficiarem-do-trabalho-forcado-de-ui.html>

LinkedIn. (2022). *Siemens*.

<https://www.linkedin.com/company/siemens/about/>

Siemens. (2018). *Relatório Institucional e de Sustentabilidade 2018*.

https://ungc-production.s3.us-west-2.amazonaws.com/attachments/cop_2019/481810/original/RA_2018_portugues_pg_dupla_NOVO_BAIXA_GRI.pdf?1576850580

Siemens. (2019). *Siemens Group Code of Conduct*.

https://assets.new.siemens.com/siemens/assets/api/uuid:cbb1292b-f2d5-4f67-9bad-28e2823568b0/Code-of-Conduct-English.pdf?ste_sid=321a71c86ea8c955a18f74ee11872ea2

Siemens. (2019). *Sustainability in the Supply Chain*.

https://assets.new.siemens.com/siemens/assets/api/uuid:5a61e2f1-d2c8-4c21-8e11-ccea7f6b8e84/CoC-Brochure-en.pdf?ste_sid=321a71c86ea8c955a18f74ee11872ea2

Siemens. (2020). *Human rights*.

<https://new.siemens.com/global/en/company/sustainability/humanrights.html>

Siemens. (2020). *Responsible Minerals Sourcing Policy*.

https://assets.new.siemens.com/siemens/assets/api/uuid:20c6dbcd-ce32-4236-a57d-c347f17d64ee/Responsible-Minerals-Policy.pdf?ste_sid=40692bd413c10df2ad6eeefb2b6b1d9d

Siemens Global. (2022). *Code of Conduct | Sustainability in the Supply Chain*.

<https://new.siemens.com/global/en/company/about/corporate-functions/supply-chain-management/sustainability-in-the-supply-chain/code-of-conduct.html>

Siemens. (2020). *Sustainable Supply Chain*.

<https://new.siemens.com/global/en/company/sustainability/sustainablesupplychain.html>

Anwalt für Umwelt & Menschenrechte. (2021). *New company, outdated business model: Siemens Energy fails on climate and human rights*.

<https://www.urgewald.org/en/medien/new-company-outdated-business-model-siemens-energy-fails-climate-and-human-rights-0>

Business & Human Rights Resource Centre. (2022). *Letter to Siemens regarding recent involvement with Minskenergo and TEC-5 despite alleged ongoing labour rights violations & environmental risks*.

<https://www.business-humanrights.org/en/latest-news/letter-to-siemens-regarding-recent-involvement-with-minskenergo-and-tec-5-despite-alleged-ongoing-labour-rights-violations-environmental-risks/>

Amazon Watch.(2015, January 27). *Siemens Linked to Major Rights Abuses Across Americas*.

<https://amazonwatch.org/news/2015/0127-siemens-linked-to-major-rights-abuses-across-americas>

Einführung. (2022). Bkms-System.net.

<https://www.bkms-system.net/bkwebanon/report/clientInfo?cin=bkms&c=-1&language=ger>

Stihl. (2019). *Quem Somos*.

<https://www.stihl.com.br/quem-somos.aspx>

Stihl. (2019). *STIHL celebra 45 anos de atuação no Brasil com inauguração de prédio de Pesquisa e Desenvolvimento*.

<https://www.stihl.com.br/stihl-celebra-45-anos-de-atuacao-no-brasil-com-inauguracao-de-prdio-de-pesquisa-e-de.aspx#:~:text=Em%201973%2C%20a%20empresa%20inaugurou,de%20autoridades%20locais%20e%20federais>

Stihl. (2019). *Código de Ética e Conduta*. <https://www.stihl.com.br/codigo-de-etica-e-conduta.aspx>

Stihl. (2014). *Canal de Ética STIHL*. <https://ethicspeakup.com.br/canaldeeticastihl/>

Stihl. *Código de Ética e Conduta para Parceiros Comerciais STIHL*.

http://crm.stihl.com.br/fornecedores/C%C3%B3digo%20de%20Etica%20e%20Conduta%20para%20Parceiros%20Comerciais%20STIHL.pdf?_gl=1*cbo80x*_ga*NDQxNzg1MzgxLjE2NjExOTYzODE.*_ga_G8ZD67Y14Z*MTY2MTM2NzcwNC4xLjEuMTY2MTM2Nzg1MzgxLjE2NjExOTYzODE.*_ga=2.178647332.1876704040.1661367540-441785381.166119638

Stihl. (2022). *Code of conduct for suppliers*.

https://www.stihl-tirol.com/p/media/download/at-tirol/Code_of_Conduct_for_Suppliers_2022.pdf

Carlier, M. (2022). *Volkswagen Group – Statistics & Facts*. Statista.

<https://www.statista.com/topics/1574/volkswagen/>

Guimarães, G. (2020, 19 de agosto). *Volkswagen pretende dispensar pelo menos 5 mil empregados no Brasil*. AutoIndústria.

<https://www.autoindustria.com.br/2020/08/19/volkswagen-pretende-dispensar-pelo-menos-5-mil-empregados-no-brasil/>

Ministério Público do Trabalho. (2015). *MPT investiga violações de direitos humanos de trabalhadores da Volkswagen durante ditadura*. MPT-SP.

<https://www.prt2.mpt.mp.br/354-mpt-investiga-violacoes-de-direitos-humanos-de-trabalhadores-da-volkswagen-durante-ditadura>

Redação Automotive Business. (2021, 26 de fevereiro). *Grupo Volkswagen volta a integrar Pacto Global das Nações Unidas*. Automotive Business.
<https://www.automotivebusiness.com.br/pt/posts/noticias/grupo-volkswagen-volta-a-integrar-pacto-global-das-nacoes-unidas/>

Reuters. (2022, 17 de fevereiro). *Empregados da Volkswagen que estavam com contratos suspensos voltam em março*. G1.
<https://g1.globo.com/economia/noticia/2022/02/17/empregados-da-volkswagen-que-estavam-com-contratos-suspensos-voltam-em-marco.ghtml>

Volkswagen Aktiengesellschaft. (2017, 10 de maio) *Responsibility and Change. Sustainability Report 2016*.
https://www.volkswagenag.com/presence/nachhaltigkeit/documents/sustainability-report/2016/VW_Sustainability-Report_2016_EN.pdf

Volkswagen Aktiengesellschaft. (2022). *“Business and Human Rights in the Volkswagen Group*. Volkswagenag.com.
<https://www.volkswagenag.com/en/group/compliance-and-risk-management/business-and-human-rights.html>

Volkswagen do Brasil. (2021) *Governança Corporativa*.
<https://www.vw.com.br/pt/volkswagen/Responsabilidade-Corporativa/governanca-corporativa.html>

Volkswagen do Brasil. (2021). <https://www.vw.com.br/pt/volkswagen/volkswagen-do-brasil.html>

Volkswagen do Brasil. (2022). *Código de Conduta*.
<https://www.vw.com.br/pt/volkswagen/Responsabilidade-Corporativa/governanca-corporativa.html>

Volkswagen Newsroom. (2022). *VW do Brasil comemora 25 anos da certificação corporativa da ISO 9001*. VW Newsroom. <https://www.vwnews.com.br/news/1222>

Volkswagen. (2022). *Estratégia e Gestão - Anuário Volkswagen*. Relatostar.
<https://www.relatostar.com.br/2021/estrategia-e-gestao/#EG-sustentabilidade>

Volkswagen. (2022). *Home - Anuário Volkswagen*. Relatostar. <https://www.relatostar.com.br/2021/>

Volkswagen. (2022). *Nossa Imagem - Anuário Volkswagen*. Relatostar.
<https://www.relatostar.com.br/2021/nossa-imagem/#NI-canais>

Volkswagen. (2022). *Nossos Fornecedores - Anuário Volkswagen*. Relatostar.
<https://www.relatostar.com.br/2021/nossos-fornecedores/>

Allianz. (2018). *Código de Ética e Conduta*.
<https://www.allianz.com.br/content/dam/onemarketing/iberolatam/allianz-br/documents/compliance/AZ-1728-02-Codigo-de-conduta-e-etica-14122018.pdf>

Allianz. (2020). *Respecting human rights*. Allianz.com.
<https://www.allianz.com/en/sustainability/ratings/business/human-rights.html>

Allianz. (2021). *GRI Content Index*.
https://www.allianz.com/content/dam/onemarketing/azcom/Allianz.com/responsibility/2021/GRI_Index.pdf

Allianz. (2021). *Allianz tops Dow Jones Sustainability Index 2021 as leading sustainable insurer*. Allianz.com.

https://www.allianz.com/en/press/news/commitment/environment/211115_Allianz-tops-DJSI-2021-as-leading-sustainable-insurer.html

Allianz Brasil. (2021). *Conheça-nos melhor*. Allianz Brasil.
https://www.allianz.com.br/sobre-allianz/conheca.html#tabpar_5134_1Tab

Allianz Group. (2021). *Allianz Group Sustainability Report*.
https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/sustainability/documents/Allianz_Group_Sustainability_Report_2021-web.pdf

Allianz Group. (2022). *Vendor Code of Conduct*.
https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/sustainability/AllianzVendorCodeofConduct.pdf

Principles for Responsible Investment. (2021). *Allianz SE*. PRI.
<https://www.unpri.org/signatory-directory/allianz-se/842.article>

Revista Apólice. (2015, 24 de novembro). *Allianz recebe certificação ISO 9001*. Revista Apólice.
<https://www.revistaapolice.com.br/2015/11/allianz-recebe-certificacao-iso-9001/>

99jobs. (2022). *Como é trabalhar na empresa Procter & Gamble*. 99jobs.com.
<https://www.99jobs.com/procter-gamble#:~:text=Emprega%20atualmente%20pouco%20mais%20de.marcas%20globais%20no%20mercado%20brasileiro>

D Alessandro, W. (2012). *Corporate Register Expert Reviews*. Corporateregister.com.
<https://www.corporateregister.com/reviews/item/?n=139>

Procter & Gamble. (n.d.) *GRI Index*. Recuperado em 24 de agosto de 2022,
https://us.pg.com/2020_GRI_Index

Procter & Gamble Brasil (2021). *Human Rights Policy Statement*.
https://s1.g4cdn.com/695946674/files/doc_downloads/esg/social/Human-Rights-Policy-Statement.pdf/

Procter & Gamble Brasil. (2021). *Citizenship Report*. Recuperado em 24 de agosto de 2022,
https://br.pg.com/2021_Citizenship_Report.pdf

Procter & Gamble Brasil. (2021). *Relatório de ética e conformidade*. Pg.com.
<https://br.pg.com/politicas-e-praticas/relatorio-de-etica-e-conformidade/>

Procter & Gamble Brasil. (2021). *Relatórios de sustentabilidade*. Pg.com.
<https://br.pg.com/relatorios-de-sustentabilidade-da-pg/>

Procter & Gamble Portugal. (2021). *Declaração de Direitos Humanos da P&G*. Pg.com.
<https://pt.pg.com/politicas-e-praticas/declaracao-de-direitos-humanos/>

Procter & Gamble Supplier. (2022). *Responsible Sourcing Expectations*. Pgsupplier.com.
<https://pgsupplier.com/supplier-citizenship/responsible-sourcing-expectations>

Procter & Gamble. (2022). *Ethics and Corporate Responsibility*. Pg.com.
https://us.pg.com/ethics-and-corporate-responsibility/?utm_source=Citizenship_Report&utm_medium=pdf&utm_campaign=PG_2021_Citizenship_Report

UN Global Compact. (2015). *Our Participants*. Unglobalcompact.org.
https://www.unglobalcompact.org/what-is-gc/participants/search?utf8=%E2%9C%93&search%5Bkeywords%5D=Procter+%26+Gamble+Germany+GmbH+%26+Co+Operations+oHG&button=&search%5Bper_page%5D=10&search%5Bsort_field%5D=&search%5Bsort_direction%5D=asc

Mapa de Conflitos. (2018, 3 de outubro). *MA - Pólo siderúrgico e industrial na Ilha de São Luis - imbróglio envolve grandes empresas, Estado e Comunidades Tradicionais - Mapa de Conflitos Envolvendo Injustiça Ambiental e Saúde no Brasil*. Mapa de Conflitos Envolvendo Injustiça Ambiental E Saúde No Brasil.

<https://mapadeconflitos.ensp.fiocruz.br/conflito/ma-polo-siderurgico-e-industrial-na-ilha-de-sao-luis-imbroglio-envolve-grandes-empresas-estado-e-comunidades-tradicionais/>

Principles for Responsible Investment. (n.d.). *ThyssenKrupp*. PRI.

<https://collaborate.unpri.org/company/32606>

ThyssenKrupp. (2013). *Relatório de auditoria*.

<https://www.thyssenkrupp-brazil.com/empresa/compliance/relatorio-de-auditoria>

ThyssenKrupp. (2019). *Estratégias e metas*.

<https://www.thyssenkrupp-brazil.com/empresa/sustentabilidade/estrategias-e-metas>

ThyssenKrupp. (2020). *Thyssenkrupp na América do Sul*.

<https://www.thyssenkrupp-brazil.com/empresa>

ThyssenKrupp. (2021). *Supplier Code of Conduct*.

https://d2zo35mdb530wx.cloudfront.net/_binary/UCPthyssenkruppAG/en/company/prprocurement-for-suppliers/purchase-downloads.html/link-Supplier-Code-of-Conduct-2021-en.pdf

ThyssenKrupp. (2021). *ThyssenKrupp Annual Report 2020/2021*.

https://d2zo35mdb530wx.cloudfront.net/_binary/UCPthyssenkruppAG/52d87dd5-0ee6-46f7-bc54-e6263683bbb9/thyssenkrupp-GB-en-2020-2021-Web.pdf

ThyssenKrupp. (2022). *Code of Conduct*.

https://d2zo35mdb530wx.cloudfront.net/_binary/UCPthyssenkruppRHOBrazil/empresa/compliance/codigo-de-conduta/link-po-co-cpl-0332-v03-bra_code_of_conduct-neu_final.pdf

ThyssenKrupp. (2022). *Código de conduta*.

<https://www.thyssenkrupp-brazil.com/empresa/compliance/codigo-de-conduta>

ThyssenKrupp. (2022). *Human Rights*.

<https://www.thyssenkrupp.com/en/company/sustainability/human-rights>

ThyssenKrupp. (2022). *Linhas diretas de denúncia*.

<https://www.thyssenkrupp-brazil.com/empresa/compliance/linhas-diretas-de-denuncia>

ThyssenKrupp. (2022). *Relatórios integrados*.

<https://www.thyssenkrupp-brazil.com/empresa/sustentabilidade/relatorios-integrados>

Beiersdorf. (2021). *Our Human Rights Engagement*.

<https://www.beiersdorf.com/sustainability/society/employees-along-our-entire-value-chain/human-rights-engagement>

Beiersdorf. (2021). *Women in Leadership Positions*.

<https://www.beiersdorf.com/sustainability/society/employees-along-our-entire-value-chain/diversity/women-in-leadership-position>

Beiersdorf. (2021). *Code of Conduct*.

<https://www.beiersdorf.com/investor-relations/compliance/code-of-conduct>

Beiersdorf. (2021). *Combined Management Report. Non-financial Statement 2021*.

https://www.beiersdorf.com/~/_media/Beiersdorf/sustainability/reporting/sustainable-reporting/2022/Beiersdorf-NFE-EN-2021.pdf

Beiersdorf. (2021). *Fulfilling Our Responsibility in The Supply Chain*.
<https://www.beiersdorf.com/sustainability/society/employees-along-our-entire-value-chain/responsibility-in-the-supply-chain>

Beiersdorf. (2021). *GRI Content Index 2021*.
<https://www.beiersdorf.com/~media/Beiersdorf/sustainability/reporting/sustainability-review/2022/Beiersdorf-GRI-content-index-2021.pdf>

Beiersdorf. (2021). *Non-financial Statement 2021*.
<https://www.beiersdorf.com/sustainability/reporting/downloads>

Beiersdorf. (2021). *Speak up. We care. – Incident Reporting Platform*.
<https://www.beiersdorf.com/investor-relations/compliance/incident-reporting-platform>

Beiersdorf. (2021). *Sustainability Reporting*.
<https://www.beiersdorf.com/sustainability/reporting/sustainability-reporting>

Unilever. (n. d.). *História Unilever Brasil. Nossa empresa*.
<https://www.unilever.com.br/our-company/historia-unilever-brasil/>.

Unilever. (2020). *Human rights report*.
<https://assets.unilever.com/files/92ui5egz/production/0ead3d5a36007724459bb1acbf437a190cf2e42.pdf/unilever-human-rights-report-2020.pdf>.

Unilever. (n.d.). *Strategy and goals. Respect human rights*.
<https://www.unilever.com/planet-and-society/respect-human-rights/strategy-and-goals/>.

Unilever. (n. d.) *Unilever's Human Rights Policy*.
<https://www.unilever.com/files/origin/5f6c882f754ec881ee1fb2a102eee30b7e6d9e5b.pdf/Human%20rights%20policy.pdf>.

Unilever. (n. d.). *Human rights in our value chain. Respect human rights*.
<https://www.unilever.com/planet-and-society/respect-human-rights/human-rights-in-our-value-chain/>.

Unilever. (n. d.). *Scope and boundaries of reporting. Sustainability reporting centre*.
<https://www.unilever.com/planet-and-society/sustainability-reporting-centre/scope-and-boundaries-of-reporting/>.

Unilever. (n. d.). *Our eco-efficiency reporting. Sustainability reporting centre*.
<https://www.unilever.com/planet-and-society/sustainability-reporting-centre/our-eco-efficiency-reporting/>.

Unilever. (n. d.). *Sustainability performance data. Sustainability reporting centre*.
<https://www.unilever.com/planet-and-society/sustainability-reporting-centre/sustainability-performance-data/>.

Unilever. (n. d.). *Sustainability reporting centre. Planet & Society*.
<https://www.unilever.com/planet-and-society/sustainability-reporting-centre/>.

Unilever (2021). *Human Rights Progress Report*.
<https://www.unilever.com/files/cefcd733-4f03-4cc3-b30a-a5bb5242d3c6/unilever-human-rights-progress-report-2021.pdf>.

Unilever. (n. d.). *Práticas setoriais. Governos e instituições*.
<https://www.unilever.com.br/our-company/governos-e-instituicoes/praticas-setoriais>.

Unilever. (n. d.). Promoting safety for women. *Respect human rights*.
<https://www.unilever.com/planet-and-society/respect-human-rights/promoting-safety-for-women/>.

Mersie, A. (2022, 23 de agosto). Kenyan group sues UK government over what it calls colonial-era land theft.
Reuters. <https://www.reuters.com/world/africa/kenyan-group-sues-uk-government-over-what-it-calls-colonial-era-land-theft-2022-08-23/>.

New deforestation revealed as Indonesian minister arrives in EU to defend palm oil industry. (2022). *Greenpeace International*.
<https://www.greenpeace.org/international/press-release/16194/new-deforestation-revealed-as-indonesian-minister-arrives-in-eu-to-defend-palm-oil-industry/>

Ferrero. (n. d.). FERRERO DO BRASIL: HISTÓRIA. *O GRUPO*.
<https://www.ferrero.com.br/ferrero-do-brasil/ferrero-do-brasil>.

Ferrero. (n. d.). Principais números. *O grupo*.
<https://www.ferrero.com.br/principais-numeros/fc-3657>.

Ferrero. (2019). Para o melhor.
<https://s3-eu-west-1.amazonaws.com/ferrero-static/globalcms/documenti/3976.pdf>.

Ferrero. (n. d.). Respeitar e promover os direitos humanos. *Responsabilidade social*.
<https://www.ferrero.com.br/politica-de-direitos-humanos/fc-5291>.

Ferrero. (2019). Ferrero's human rights policy statement.
<https://s3-eu-west-1.amazonaws.com/ferrero-static-qa/globalcms/documenti/2751.pdf>.

Ferrero. (2012). Code of business conduct.
<https://s3-eu-west-1.amazonaws.com/ferrero-static/globalcms/documenti/3383.pdf>.

Ferrero. (n. d.). Código de ética. *Responsabilidade Social*.
<https://www.ferrero.com.br/codigo-de-etica/codigo-etica>.

Ferrero. (n. d.) Publicidade e princípios de marketing da Ferrero.
<https://www.ferrero.com.br/publicidade-e-principios-de-marketing-da-ferrero/politicas-comunicacao>. Não disponível.

Ferrero se desculpa após envenenamento de crianças com Kinder e retira 3 mil toneladas de produtos do mercado. (2022). *Uol*.
<https://www.uol.com.br/nossa/noticias/rfi/2022/05/27/ferrero-se-desculpa-apos-envenenamento-de-criancas-com-kinder-e-retira-3-mil-toneladas-de-produtos-do-mercado.htm>

Bosch. (n. d.). Bosch no Brasil. *Nossa empresa*.
<https://www.bosch.com.br/nossa-empresa/bosch-no-brasil/>.

United Nations. (n. d.). See who's involved. *United Nations Global Compact*.
https://www.unglobalcompact.org/what-is-gc/participants/search?utf8=✓&search%5Bkeywords%5D=bosch&button=&search%5Bper_page%5D=10&search%5Bsort_field%5D=&search%5Bsort_direction%5D=asc.

Bosch. (n. d.). Code of Conduct for Business Partners.
https://assets.bosch.com/media/global/sustainability/strategy/values_and_responsibility/code-of-conduct-for-business-partners.pdf. Indisponível.

Bosch. (n. d.). More sustainability in supply chains – worldwide. *Sustainability*.
<https://www.bosch.com/sustainability/sustainable-supply-chains/>.

Bosch. (n. d.). Comprehensive sustainability strategy and consistent compliance. *Sustainability*. <https://www.bosch.com/sustainability/responsibility/>.

Bosch. (2021). Sustainability report. https://assets.bosch.com/media/global/sustainability/reporting_and_data/2021/bosch-sustainability-report-2021.pdf.

Russian invasion of Ukraine: What companies have to say about their human rights due diligence. (2022). *Business & Human Rights Research Centre*. <https://www.business-humanrights.org/en/latest-news/russian-invasion-of-ukraine-what-companies-have-to-say-about-their-human-rights-due-diligence/>.

Bosch. (n. d.). Igualdade de gênero. *Sustainability*. <https://www.bosch.com.br/noticias-e-historias/sustentabilidade/igualdade-de-genero/>.

Bosch. (n. d.). Sustentabilidade: mudar atitudes nos conecta com uma vida melhor. *Sustentabilidade*. <https://www.bosch.com.br/noticias-e-historias/sustentabilidade/>.

Bayer. (n. d.). História. <https://www.bayer.com.br/pt/historia-2016-2018>. Indisponível.

Bayer. (2017). Relatório de responsabilidade socioambiental. https://www.bayer.com.br/sites/bayer_com_br/files/relatorio-responsabilidade-socioambiental-2017.pdf. Indisponível.

Bayer. (2022). Direitos humanos. *Sustentabilidade*. <https://www.bayer.com.br/pt/sustentabilidade/direitos-humanos>

Bayer. (2022). Human rights. *Sustainability*. <https://www.bayer.com/en/sustainability/human-rights>

Bayer. (2022). Compromisso global de sustentabilidade. *Sustentabilidade*. <https://www.bayer.com.br/pt/sustentabilidade/compromisso-global-de-sustentabilidade>.

Bayer. (2019). Política de conformidade corporativa. https://www.bayer.com.br/sites/bayer_com_br/files/manual-compliance-port-intranet-final.pdf?version=2.

Bayer. (n. d.). Human rights policy. <https://www.bayer.com/en/sustainability/bayer-human-rights-policy>. Indisponível.

Bayer. (2019). Supplier Code of Conduct. <https://www.bayer.com/en/procurement/supplier-code-of-conduct>.

Bayer. (2019). Código de Conduta dos Fornecedores. https://www.bayer.com/sites/default/files/Bayer_Supplier-code-of-conduct-PT.pdf.

Bayer. (2021). Sustainability report. <https://www.bayer.com/sites/default/files/2022-03/Bayer-Sustainability-Report-2021.pdf>.

Bayer. (2021). Annual Report. <https://www.bayer.com/sites/default/files/2022-03/Bayer-Annual-Report-2021.pdf>.

Bayer. (2017). Relatório de responsabilidade socioambiental. https://www.bayer.com.br/sites/bayer_com_br/files/relatorio-responsabilidade-socioambiental-2017.pdf.

Cranston, C., Ramos, R. D., Esteban, A. G., Patz, C., Gualandi, S., Sherazi, R. & Saller, C. (n. d.). What if? *European Coalition for Corporate Justice*. https://www.antislavery.org/wp-content/uploads/2020/09/ASI_ECCJ_Report_FINAL.pdf.

Fueling destruction in Latin America. (2008). *Business & Human Rights Research Centre*.
<https://www.business-humanrights.org/en/latest-news/pdf-fuelling-destruction-in-latin-america/>.

Bayer. (n. d.) Ações ambientais no Brasil. *Sustentabilidade*.
<https://www.bayer.com.br/pt/sustentabilidade/acoes-socioambientais-no-brasil>. Indisponível.

Allegations of pharmaceutical group's planned opposition to So. Africa reforms to increase access to medicines. (2014). *Business & Human Rights Research Centre*.
<https://www.business-humanrights.org/pt/últimas-not%C3%ADcias/allegations-of-pharmaceutical-groups-planned-opposition-to-so-africa-reforms-to-increase-access-to-medicines/>.

Boehringer Ingelheim. (n. d.). With Integrity and Passion: Our Code of Conduct.
https://www.boehringer-ingelheim.ca/sites/ca/files/bi_coc_internet_brochure_en_final_accessible.pdf

Saraiva, J. (2022, 30 de maio). "Cultura do 'missão dada, missão cumprida' não favorece a inovação", diz CEO da Boehringer Ingelheim Brasil. *Valor Econômico*.
<https://valor.globo.com/carreira/noticia/2022/05/30/trabalhar-realmente-por-um-proposito-e-possivel-diz-ceo-sembarreira.ghtml>. Indisponível.

Boehringer Ingelheim. (n. d.). More Potential: For Communities & Our People. *About Us*.
<https://www.boehringer-ingelheim.com/sustainable-development/more-potential>.

Boehringer Ingelheim. (n. d.). Speak-up. *About Us*.
<https://www.boehringer-ingelheim.com/about-us/values/speak-up>. Indisponível.

Boehringer Ingelheim. (n. d.). Commitment. *Sustainable development*.
<https://www.boehringer-ingelheim.com/sustainable-development/commitment>. Indisponível.

Boehringer Ingelheim. (2021). Annual report.
https://annualreport.boehringer-ingelheim.com/2021/downloads/en/BOE_AR21_Financial-Report_EN.pdf

Boehringer Ingelheim. (2020). The Supplier Code of Conduct.
https://www.boehringer-ingelheim.com/sites/default/files/Corporate_Profile/code_of_conduct_corporate_profile/supplier_code_of_conduct_2020_EN.pdf

Allegations of pharmaceutical group's planned opposition to So. Africa reforms to increase access to medicines. (2014). *Business & Human Rights Research Centre*.
<https://www.business-humanrights.org/pt/últimas-not%C3%ADcias/allegations-of-pharmaceutical-groups-planned-opposition-to-so-africa-reforms-to-increase-access-to-medicines/>.