

**WHAT IMPACT WILL THE NEW EU SUPPLY CHAIN DIRECTIVE
(CS3D - CORPORATE SUSTAINABILITY DUE DILIGENCE
DIRECTIVE) AND THE SUPPLY CHAIN DUE DILIGENCE ACT (LKSG)
HAVE ON HUMAN RIGHTS AND ON POTENTIAL COMPANIES
AFFECTED BY THEM?**

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ABSTRACT

The article analyses the impact of the EU Supply Chain Directive and the German Supply Chain Duty of Care Act on human rights and the companies affected. The aim is to protect human rights and the environment. The EU directive comes into force in stages and applies to the company's own operations, the entire chain of activities, including disposal, as well as direct and indirect suppliers. The climate protection programme aims to reduce greenhouse gas emissions by at least 65% by 2030, as environmental protection also makes a direct contribution to human rights. The analysis shows that the EU Supply Chain Directive will incur considerable costs, as the introduction of the Supply Chain Due Diligence Act alone will cost the logistics companies concerned 60 million euros (around 0.12% of industry turnover) and 100 million euros (around 0.20% of industry turnover) by 2023. The EU directive affects around 13,000 companies in the EU and a further 4,000 from third countries. Clothing imports from countries with problematic sustainability standards such as Bangladesh and Pakistan have already fallen by more than 20%. A further potential shortening of supply chains through reshoring or nearshoring is to be expected as a result of the EU Supply Chain Directive. Both the directive and the law require companies to analyse risks, have transparent supply chains and take preventative measures. By leveraging AI to digitize supply chains, diversify procurement and contract provisions, it is possible to ensure compliance with human rights and environmental standards across the entire value chain.

Keywords: Environmental protection, Social, EU/Germany Agreement, Economy.