



THE EUROPEAN MARKET

Requirements regarding Corporate Social Responsibility

Sound social and environmental performance has become an integral part of international trade and exports to the European Union. End consumers, but also European governments increasingly expect retailers and importers to identify and mitigate social and environmental risks in their supply chains.

This has lately been highlighted by the passing of the **German Act on Corporate Due Diligence in Supply Chains**. As of January 2023, companies operating in Germany will be required to implement the following measures in their own business operations as well as in the context of a direct supplier's business operation:

LEGAL REQUIREMENTS FOR GERMAN COMPANIES:

- + Draft and adopt a policy statement on respecting human rights
- + Carry out a risk analysis and implement procedures for identifying negative impacts on human rights
- + Engage in risk management (incl. remedial measures) to prevent potential negative impacts on human rights
- + Establishing a grievance mechanism
- + Implementing transparent public reporting

Source: [Supply chains](#) | BMZ



Germany is not the only country, adopting a special law on social responsibility. Instead, **other countries such as France and the Netherlands have implemented similar legal frameworks** – and more European countries are following.

Confronted with both expectations from end consumers as well as concrete legal requirements, importers will increasingly address the topic of CSR when building up business relationships. To implement the above-mentioned measures, they will need to have a clear understanding of their exporters' social and environmental performance. As an exporter, you can therefore **expect importers to ask more and more questions about your CSR activities**, including questions on human rights and labor practices in your company, on your treatment of the environment, the responsibility you are taking along the supply chain etc. **Only if you address the issues touched by the new requirements, you will be able to successfully establish new business contacts.**



TOGETHER WITH IPD, YOU CAN PREPARE YOURSELF FOR SUCH REQUIREMENTS BY:

- + Acquiring a good understanding of CSR and the **opportunities for your company**
- + Developing a **CSR strategy**, including a Code of Conduct and an CSR Action plan
- + Preparing **marketing material** which show importers your commitment to CSR
- + Applying **sustainability standards** and acquiring certifications which prove your engagement

IPD provides different **training material** such as our guide on sustainability standards. Also, IPD offers **regular e-learnings and workshops** in which you will learn more about CSR and will be able to develop your own CSR strategy as well as suitable marketing material. Together with your project manager at IPD, you can identify which steps you should take next to prepare your company for the requirements of the European market and make CSR a business opportunity for you!



For questions around CSR, feel free to approach our CSR experts at any time.



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