

CHEMIE³ INDUSTRY STANDARD FOR SUSTAINABLE VALUE CREATION - OBJECTIVES, MEASURES, TOOLS FOR SUSTAINABILITY IN SUPPLY CHAINS

MODULE II: RISK IDENTIFICATION AND PRIORITISATION EXECUTIVE SUMMARY

This module of the Chemie³ industry standard supports companies in identifying and prioritising risks and describes the requirements for risk management. The identification and management of risks include all steps necessary to analyse and prevent negative impacts of a company's business activities. The due diligence processes should be closely coordinated and form a system that is continuously developed.

The first part of this module is dedicated to the requirements for risk management in accordance with the United Nations Guiding Principles on Business and Human Rights and the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG). The risk analysis is intended to identify human rights and environmental risks and violations in order to prevent or minimise human rights risks and violations in the next step. For companies that are not subject to the LkSG, the development of a risk management system helps them to meet the increasing expectations of customers and investors. They are also better prepared for future legal requirements.

Module II of the Chemie³ industry standard supports companies in identifying, assessing and prioritising the (potential) negative impacts of their business activities on human rights and environmental risks. It forms, therefore, an important basis for the implementation of appropriate measures. The module also supports a systematic approach to identifying risks in the respective supply chains. The supplementary practical aids "Risk overview" and "Risk profiles" are particularly helpful here.

About the Chemie³ Industry Standard

The industry standard describes a framework for action and objectives for human rights due diligence, broken down to the specific requirements of companies in the chemical industry. Especially for small and medium-sized companies it offers practical tools and assistance, such as sample and decision templates.

This offer from Chemie³ is free of charge for companies. The Chemie³ industry standard is based on the Act on Corporate Due Diligence Obligations in Supply Chains and the United Nations Guiding Principles on Business and Human Rights. It is advisable for companies to address the issue at an early stage. They can do this on their own or with external help. The Chemie³ industry standard provides support in both cases.

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