



LKG – German Supply Chain Act

Respect for Human Rights in the Supply Chain

The planned Supply Chain Act is intended to oblige all German companies with more than 500 employees to observe human rights and minimum social standards in the processes of value chains. The comprehensive collection of open, global information and linking it to internal data is a feasible reporting solution.



If child labor, exploitation, environmental violations, corruption and the disregard of corporate duties of care in supply chains become known, this leads to devaluations of brands, companies and critical public discussions. Massive economic impacts, in addition to expected legal obligations, are motivation to actively promote compliance and adherence to standards.

The German industry, also represented by the Association of German Chambers of Industry and Commerce (DIHK), is defending itself against the legal obligations under discussion. The DIHK complains that the approx. 7,300 companies affected are unable to cope with the demands, due to the complexity, rapid changes and the global structure of the suppliers.

Performing the required obligations of due diligence is primarily a problem of information management. It is necessary to regularly check all participants in the value chain for human rights compliance and to install a suitable, presentable reporting system for C-level management.

Internal company data is available. The wide range of open sources complements these information sources. Security authorities in the countries concerned may also be willing to cooperate. The regular collection, processing, analysis and evaluation of this data and information can be automated to a large extent by using Artificial Intelligence (AI) and mass data processing methods.

Application-oriented research and partnership with the companies concerned is the instrument to deliver a practicable solution to the challenge in a timely manner.

Care and sense of responsibility in terms of legal requirements can be demonstrated by risk analyses, preventive measures, complaint mechanisms and appropriate internal documentation. Information from open sources and internal company data are taken into account.

The analysis and evaluation is a problem of mass data processing of structured and unstructured data. Texts can be available in different languages.

The economic implementation requires extensive automation, which is possible today with available technologies. A comprehensive SaaS solution (Software as a Service) creates transparency with regard to the basic processes and their effectiveness without violating confidentiality.

Research

Technological principles and solutions are known and available; the implementation in robust and specific assistance systems is not yet finalized. Issues require close cooperation between the companies concerned and the research community. It makes sense to involve policymakers in the legislative process.

DITS and its members are active in these areas and have extensive interdisciplinary experience. Ongoing research projects serve to develop application-oriented knowledge and progress.

Solutions and Technologies

The need for research does not exclude the use of available products and partial solutions - quite the contrary: available products are an anchor point for successful, application-oriented research and development. DITS members are actively involved in these areas and are willing to contribute their products, solutions and know-how to projects. The goal is to bring products to the market successfully and in a way that is appropriate for the application.

Analysis, Evaluation and Reporting

Effectiveness and efficiency are not only a result of suitable tools and assistance systems. Special issues require know-how and experience in different areas: security, crime, forensics, global connections, knowledge and networks in global hotspots. DITS members have the potential to accompany, train and moderate all processes.

Technology	Intelligence Cycle, Cloud Technologies, Big Data; Natural Language Processing, Machine Translation, Machine Learning; Graph Data Bases, Visualization, Tracking.
Market	The planned LKG obliges all companies with more than 500 employees to take measures; that is 7,300 companies. The project aims at a SaaS (Software as a Service) solution to support C-level management in the monitoring processes.
Remarks	Within the scope of the project, suitable procedures are being researched and a prototype assistance system is being developed. Selected scenarios of partners will be considered in the project while maintaining confidentiality.