



Permanent Mission  
of the Federal Republic of Germany  
to the Office of the United Nations and  
to the other International Organizations  
Geneva

Ref.: Pol-10 381.70 Special Procedures

(please quote when answering)

Note No.: 485 /2025

Note Verbale

The Permanent Mission of the Federal Republic of Germany to the Office of the United Nations and to the other International Organizations in Geneva presents its compliments to the Office of the High Commissioner of Human Rights and has the honour to refer to a joint communication from Special Procedures – ref AL DEU 05/2025 – transmitted 19 September 2025.

The Permanent Mission of the Federal Republic of Germany is pleased to transmit herewith the answer of the Federal Republic of Germany.

The Permanent Mission of Germany to the Office of the United Nations and to the other International Organizations in Geneva avails itself of this opportunity to renew to the Office of the High Commissioner of Human Rights the assurances of its highest consideration.

Geneva, 17 November 2025



To the  
Office of the High Commissioner of Human Rights  
Palais Wilson  
Geneva

**Response of the Federal Republic of Germany**  
**to the**  
**Joint Communication from Special Procedures - Office of the High**  
**Commissioner for Human Rights**

**Ref.: AL DEU 5/2025**

The Federal Government of Germany attaches great importance to the worldwide protection and promotion of human rights and expects companies to respect human rights in their business dealings. In general, the Government of Germany welcomes investment activities of German companies abroad and developed mechanisms to support German companies in their activities. The rules and procedures related to these mechanisms are described in detail below (Question 1).

Mexico is a highly important economic partner both for the EU and for Germany, representing Germany's largest trading partner in Latin America. Mexico is also an attractive and important investment location for investment by Germany businesses, and home to more than 2,200 German-invested companies, creating over 300,000 direct jobs in Mexico. Next to economic relations, political, cultural, scientific, and personal relations between our countries are very close and based on mutual trust. Mexico is also a much appreciated and reliable partner for Germany in international fora defending the international rules-based order and human rights.

**Regarding the questions:**

**1: Please provide any additional information or comments that may be relevant.** On page 4 of the letter, it is stated that "a significant portion of the financing is reportedly being facilitated through a credit from the Government of Germany". However, the Federal Republic of Germany has not granted a credit for the project, but issued an export credit guarantee for the bank and the exporter who is supplying equipment to the ammonia plant. Such guarantees protect the guarantee holder against payment defaults from the project company. Before a guarantee is granted, projects are evaluated according to the strict and comprehensive requirements of the OECD "Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence". Details on these requirements are publicly available (e.g., [Link](#)). Based on these requirements and the information available during the assessment, the project was classified as a Category A project. The environmental and social aspects of such projects, as in this case, are benchmarked against the Performance Standards of the International Finance Corporation (IFC), and the Environmental, Health and Safety Guidelines of the World Bank Group. The review for this project was conducted based on information provided by the project company, e. g. the Environmental and Social Impact Assessment as well as an environmental and social

due diligence (ESDD) by an independent international consultant. Gaps to the international standards, as mentioned above, identified by the ESDD were incorporated into an Environmental and Social Action Plan (ESAP). In case of this project the ESAP included, but was not limited to, a Human Rights Due Diligence, the development and implementation of a Human Rights Policy and Human Rights Assurance and Management Plan, the establishment of a Human Rights Committee, livelihood measures for local fisheries, measures for biodiversity, etc. The implementation of the ESAP is one of the conditions of the guarantee, together with continuous environmental and social monitoring by an independent international consultant. The Federal Republic of Germany safeguards this monitoring through its mandatary, Euler Hermes AG.

Additionally, a climate assessment was conducted according to the climate strategy for the Federal Export Credit Guarantees. The assessment was based on the sector guidelines for the production of ammonia and revealed that the “white category” (unchanged cover condition) is applicable.

**2: Please provide information on the measures the Government of your Excellency has taken, or is considering taking, to protect the human rights of all peoples who would be affected against possible violations by business enterprises domiciled in your territory and/or jurisdiction, and to ensure that these business enterprises respect human rights in all their activities, including investment activities and operations of their foreign subsidiaries, in line with the UN Guiding Principles on business and human rights (UNGPs).**

Germany attaches great importance to worldwide protection and promotion of human rights. All companies are expected to exercise human rights due diligence in accordance with the UNGPs, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the ILO’s Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Larger companies are required to comply with the German Act on Corporate Due Diligence Obligations in Supply Chains (short: The Supply Chain Act). The Supply Chain Act will be replaced by an Act transposing the EU directive on the Corporate Sustainability Due Diligence Directive (CSDDD) when the simplification process on EU level (Omnibus-I) is completed. Through the National Action Plan for Business and Human Rights (NAP), Germany wishes to contribute to improving the human rights situation worldwide and to giving globalisation a social dimension in accordance with the 2030 Agenda for Sustainable Development.

In 2021 the German Parliament passed the Supply Chain Act, which entered into force in 2023. The responsibility of German enterprises to respect human rights in global supply chains is thereby placed on a legal footing. At the European level, the CSDDD was adopted in 2024. Currently, it is being amended as part of a simplification process.

The German Supply Chain Act puts larger enterprises in Germany under the obligation to respect human rights by implementing defined due diligence obligations. The Act applies to enterprises in Germany with at least 1000 employees.

Core elements of the due diligence obligations include the establishment of a risk management system to identify and prevent or minimize the risks of human rights violations and damage to the environment. The Act sets out the necessary preventive and remedial measures and makes complaint procedures mandatory. The due diligence obligations apply to an enterprise's own business area, to the actions of a contractual partner and to the actions of other (indirect) suppliers.

If enterprises fail to comply with their legal obligations, administrative fines may be imposed in cases of serious human-rights violations. These can amount to up to 800.000 euros or up to 2 % of annual global turnover. Moreover, if an administrative fine is imposed above a certain minimum level, enterprises may be excluded from the award of public contracts.

**3: Please provide information on concrete progress made by the Government of your Excellency in requiring or encouraging business enterprises domiciled in your territory and/or jurisdiction to implement human rights due diligence processes, including regarding their investment activities, in line with the UNGPs. As part of this, please indicate the status of development of your Government's second National Action Plan on business and human rights.**

The Supply Chain Act contains an exhaustive list of eleven internationally recognized human rights conventions. The legal interests protected in those conventions are used to derive behavioural requirements or prohibitions for corporate action in order to prevent a violation of protected legal positions. These include, in particular, the prohibition of child labour, slavery and forced labour, the failure to respect occupational safety and health obligations, the prohibition of unequal treatment in employment, withholding an adequate wage, the disregard of the right to form trade unions or employee representation bodies, the prohibition of causing any harmful environmental changes that lead to negative impacts on human rights (e.g. the denial of access to food and water) as well as the unlawful taking of land and livelihoods.

The Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle, BAFA) has the necessary enforcement instruments to monitor an enterprise's supply chain management. In this context BAFA has supervisory powers. It is permitted, for example, to enter business premises, demand information and inspect documents. BAFA can further require enterprises to take concrete action to fulfil their obligations and enforce this by imposing financial penalties in cases of serious Human Rights violations.

As of January 2025 BAFA has carried out a total of 1.383 risk-based controls including 125 incident-based controls (e. g. due to media reports, academia, hints and substantiated requests). BAFA has also received a total of 351 complaints, although 2/3 of those had no reference to the due diligence obligations enshrined in the LkSG, the human rights/environmental provisions protected by the LkSG or to companies that fall within the scope of the law. 19 administrative offence proceedings have been initiated. BAFA also supports companies in implementing their due diligence obligations and provides a comprehensive range of information for this purpose. It has published

guidance on the following topics: risk analysis, appropriateness and effectiveness, complaints procedure in the company, collaboration in the supply chain, standards, audits and certifications as instruments in the due diligence process and child labour. It has also published fact sheets, e.g. on the risk-based approach and industry initiatives in the context of the supply chain Act. Germany helps companies implement human rights due diligence through various forms of implementation support, which provide companies with the necessary know-how and offer assistance with concrete challenges ([Link](#)).

The OECD Guidelines are another instrument that is aligned with the UNGPs and relevant for the implementation of human rights due diligence processes by Germany-based companies. As an adherent country to the OECD Guidelines, Germany has set up a National Contact Point (NCP) that provides a platform for mediation and dialogue in cases concerning the application of these and other Guideline provisions.

In accordance with Germany's first National Action Plan on business and human rights, the NCP is also closely linked to Germany's instruments on foreign trade promotion housed in the Ministry for Economic Affairs and Energy, i.e. Germany's schemes on export credit and investment guarantees. For enterprises wanting to make use of those instruments, their constructive participation in a complaint before the German NCP may be taken into account in decisions regarding deployment and will also be considered in the context of a company's participation in high-level ministerial delegations.

For the implementation of the National Action Plan, the Federal Government has appointed an Interministerial Committee on Business and Human Rights. The Working Group on Business and Human Rights of the Federal Government National CSR-Forum supports the activities of this Interministerial Committee.

Moreover, the Federal Government organises sector dialogues to improve human rights along global supply and value chains. The dialogues offer guidance to enterprises operating in sectors with particular human rights challenges and support their efforts to implement the human rights due diligence requirements.

Extensive preparatory work on drafting the second National Action Plan has already been carried out. The results of the National Baseline Assessment as well as the lessons learned from the implementation of the first National Action Plan are incorporated into the draft. The further process is currently on hold due to uncertainties surrounding the legal framework, i.e. the revision of the German Supply Chain Due Diligence Act as well as the European Supply Chain Due Diligence Directive, and will be resumed in due course.

**4: Please provide information on the steps the Government of your Excellency is taking or considering taking to ensure that individuals, Indigenous Peoples, children and communities affected by the activities of business enterprises domiciled in your jurisdiction have access to remedy in your country, through judicial or extrajudicial State-based mechanisms, in line with the UNGPs, considering particularly that the State has ratified ILO Convention 169 on Indigenous and Tribal Peoples.**

According to Article 4 Section 1 and Article 63 Section 1 of Regulation (EU) 1215/2012 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters business enterprises domiciled in Germany can be sued in German courts.

Within its scope of application, the German Supply Chain Act provides for representative legal standing: Individuals can – under certain conditions – authorize domestic trade unions or NGOs to sue a company in their own name on behalf of those whose rights have been violated.

Lastly, individuals and organizations, including indigenous and other communities, affected by the activities of enterprises domiciled in Germany may also lodge a complaint before the German National Contact Point (NCP) for the OECD Guidelines.

**5: Please explain how the Government of your Excellency takes additional steps to ensure that export credit entities respect human rights in their transactions, including through human rights due diligence in line with the UNGPs, either for their own decision-making or as a requirement for their clients.**

The Federal Republic of Germany expects companies to conduct their foreign engagements in accordance with the UNGPs. To this end, it has ensured, for example, that companies are informed about the high importance of human rights due diligence through improved information and transparency in foreign trade promotion instruments. In the context of export credit guarantees, the Federal Government actively highlights its expectations regarding the consideration of the UNGPs. The application forms for export credit guarantees include a reference to the UNGPs and the related due diligence obligations concerning human rights.

Additionally, as a member of the OECD, the Federal Republic of Germany is adhering to the OECD Common Approaches for officially supported export credits and Environmental and Social Due Diligence. The Common Approaches call on adherents to apply a series of measures for addressing environmental and social issues relating to the exports of goods and services as well as to the projects and the locations to which these are destined. Within the review and approval process of transactions to be supported by the German Government, the corresponding project is benchmarked against international standards such as the IFC Performance Standards and the World Bank EHS Guidelines. The IFC Performance Standards define requirements that, among others, reflect the corporate responsibility to respect human rights as defined in the UN Guiding Principles on Business and Human Rights. In this context, the risk of potential human rights violations can also be addressed, particularly through project-specific "Human Rights Due Diligence" in cases of suspected severe human rights violations, along with agreements on monitoring requirements. For projects with potential significant adverse impacts on environmental and social issues, the German Government demands the involvement of independent experts in the environmental and social due diligence.

The decision on governmental support in form of export credit guarantees needs to be taken unanimously by four different ministries. This approach ensures that multiple

perspectives, including human rights aspects are considered in the decision-making process.

**6: Please explain how the Government of your Excellency is taking steps to prevent further harm to the climate system through the phase out of fossil fuel exploration, extraction and consumption, as well as related subsidies, as part of its international obligations in the areas of climate change, biodiversity, the law of the sea and human rights.**

Germany fully recognizes the impacts of fossil fuel consumption on the climate and ecosystem and is actively working to reduce the use of fossil fuels and respective emissions. Germany has been implementing different policies across different sectors to reduce the demand for fossil fuels. Most prominently, the EU ETS which sets a carbon price for the energy and industry sector to incentivize investments in less emission intensive and green house gas neutral technologies. In addition, many different policy measures have been set up to promote the energy transition, especially the development of renewable energies. In addition, Germany is phasing out extraction and consumption of coal in the energy sector until 2038 the latest.

In its coalition agreement, the Federal Government has agreed to review subsidies that are harmful to the climate with a view to public budgets and social compatibility. In its 30th Subsidy Report, presented in September 2025, the Federal Government reports on the further development of subsidies. All measures listed in the subsidy report are subject to a sustainability assessment based on the German Sustainability Strategy. The sustainability assessment focuses on weighing up the effects of the measures from an ecological, economic and social perspective, with a particular focus on conflicting objectives. Key statements on sustainability are documented for each subsidy in the subsidy report.

Internationally, Germany is supporting activities in developing countries to leapfrog fossil fuel use by renewable energies, energy efficiency. Together with other developed countries, Germany agreed at the UNFCCC COP26 to “end new direct public support for the international unabated fossil fuel energy sector except in limited and clearly defined circumstances that are consistent with the 1.5°C warming limit and the goals of the Paris Agreement.” This commitment has been implemented in particular by the Climate Policy Sector Guidelines for foreign trade instruments.