## Karl Haeusgen President



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Business & Human Rights Resource Centre Amelie Freund

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Dear Amelie Freund,

The VDMA and its member companies support the aim of the German Supply Chain Act and the planned European Directive to end child or forced labour everywhere. An important principle of these laws and the intent of politics is that companies should strive to improve the situation of workers in their respective markets. Withdrawing from a country, on the other hand, may lead to further deterioration of working conditions, and should only be the last option.

It is precisely the German and European mechanical and plant engineering industry with its high-quality products that is providing this desired improvement for many people in many countries. For it takes good training and expertise to operate these machines - neither of which is possible through child or forced labour. Furthermore, an integral part of a machine development and design process in Europe are the safety standards. Machines from Europe are leading in this field and thus increase the safety of the machine operators.

Neither the German Supply Chain Act, nor the European Draft Directive demands that companies control their customers' suppliers. We thus clearly reject the accusation made by Cotton Campaign of having violated the Supply Chain Act by participating in the "Turkmenistan Business Day" (June 27).

Another question is which working conditions prevail in general in Turkmenistan and what kind of reforms may be necessary. The country seems to be pursuing a cautious course of opening up, which can also be derived from the fact that the OSCE recently opened a representative office in Ashgabat. The European Union also supports an economic cooperation with the country and regularly reviews the human rights situation in direct talks with Turkmenistan. The German Ministry for the Economy and the German embassy in Turkmenistan even encouraged us to develop the economic relationship.

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In this respect, we cannot agree with Cotton Campaign's demand to cut all ties with the textile industry in Turkmenistan. The VDMA is convinced that economic and labour conditions in a country can be improved in particular through modernization and growing trade, which should be as free as possible.

Best regards,

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