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## Do individuals prefer stricter supply chain laws? Empirical evidence from Germany

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Empirical evidence from Germany**

February 2025

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# **Do individuals prefer stricter supply chain laws?**

## **Empirical evidence from Germany**

February 2025

### **Abstract**

Inspired by the controversial public and political debate in the European Union (EU) about legal initiatives to protect human rights and the environment along supply chains (e.g., the Corporate Sustainability Due Diligence Directive, CSDDD), this paper examines individual preferences for different designs of supply chain laws that are stricter than the current national legislation. Our econometric analysis is based on data from a representative online survey of 507 citizens in Germany that especially included a stated choice experiment. Our estimation results show that individuals in Germany, on average, have a significantly positive preference for stricter supply chain laws compared to the existing national Supply Chain Act. In addition, the majority of the respondents expect positive sustainability impacts of supply chain laws, while there is ambiguity in the perceptions of whether the economic consequences are predominantly negative. With respect to political attitudes, our results show that citizens with a social or ecological political identification have significantly stronger preferences for stricter supply chain laws. However, in contrast to the strong opposition of conservative and liberal parties in Germany to stricter supply chain legislation, individuals with a liberal or conservative political identification do not have significantly different preferences for stricter supply chain laws than their counterparts. Our results therefore suggest that the political blockade of supply chain laws does not correspond to the views of the majority of the population in Germany.

**JEL classification:** K23, K32, K38, Q56, Q58

**Keywords:** Supply chain laws, individual preferences, stated choice experiment

## 1. Introduction

The production of goods often violates fundamental human rights in global supply chains, including inadequately low wages, poor working conditions, child labor, modern slavery, and environmental degradation (e.g., European Parliament, 2024; ILO, 2024). Voluntary standards of companies and industries have largely failed to address these problems (e.g., LeBaron and Lister, 2021). As a result, legislation aimed at replacing or supplementing these standards has gained momentum on the political agenda in the European Union (EU), and several EU countries have already introduced human rights and environmental due diligence laws (e.g., the Duty of Vigilance Law in France, the Supply Chain Act in Germany, or the Dutch Child Labor Legislation). To standardize these various regulations that differ in scope and obligations (e.g., Ryerson et al., 2022), the Corporate Sustainability Due Diligence Directive (CSDDD) was discussed at the EU level and adopted in July 2024.

The adoption of the CSDDD was preceded by long negotiations. The required majority among the member states could only be achieved after it was weakened compared to an earlier version. Strong opposition to the CSDDD came particularly from Germany, which also abstained from the final vote due to the blocking position of the Liberal Party within the former German government. Concerns from the German side referred in particular to potential negative economic consequences. The Supply Chain Act in Germany, which was already in force in 2024, is weaker than the CSDDD in some relevant aspects, such as liability and sanctions since the CSDDD includes a civil liability. However, it is unclear to what extent the resistance, especially on the German side, reflects the preferences of the population. Some empirical studies show that citizens indeed support stringent supply chain legislation (e.g., Kolcava et al., 2023; Rudolph et al., 2023; Smith et al., 2024). Accordingly, citizens may view the CSDDD as an appropriate measure to protect human rights and the environment and be willing to partially compensate companies for the additional burden of stricter supply chain laws.

Therefore, this paper aims to answer the question of whether citizens in Germany support a stricter supply chain law than the one already implemented in Germany at the time of the underlying survey in 2023 (i.e., the first version of the German Supply Chain Act). In particular, we examine the extent to which individuals would be willing to bear the costs incurred by such a stricter law if companies passed them on to consumers. To analyze the extent to which the policy is in line with the preferences of individuals with corresponding political identification, we also examine how the preferences for supply chain laws differ across different political attitudes. Furthermore, we analyze the perceived impact of supply chain laws

on sustainability in supply chains and the perceived economic consequences of supply chain laws and how these assessments differ between individuals with a different political identification.

Our empirical analysis is based on data from a survey conducted among a stratified sample of 507 individuals in Germany. The survey especially included a stated choice experiment with different attributes representing various important design aspects of supply chain laws. These design aspects included the scope of application (i.e., which companies are affected by the law), the scope of preventive measures (i.e., how far-reaching preventive measures of companies must be), the possibility of civil damage claims, and the additional monthly costs that an individual is likely to incur due to the new design of the law. These design aspects were chosen with regard to both the German political discussion and the proposal of the European Commission for the CSDDD, which partly tightened the requirements of the German Supply Chain Act in the aforementioned features of the law.

The participants in our stated choice experiment were asked to decide six times between two different alternatives of a supply chain law, where one alternative always represented the design of the German Supply Chain Act in 2023 and the other alternative differed in terms of the attributes mentioned above. The inclusion of a cost attribute allows us to examine and draw conclusions about the individual willingness to pay (WTP) for the different attributes representing the supply chain law designs. To better understand how individuals think about supply chain laws, we also asked the respondents to indicate their level of agreement with six different statements about perceived impacts and consequences of supply chain laws. Two statements addressed potential improvements in human rights and environmental protection along global supply chains. The other four statements dealt with possible economic consequences for the affected companies.

We find that individuals in Germany, on average, have a significantly positive preference for stricter supply chain laws compared to the existing status quo. In addition, the majority of the respondents expect positive sustainability impacts from supply chain laws. However, there is ambiguity in the perceptions of whether the economic consequences are predominantly negative. Individuals with a social or ecological political identification have significantly stronger preferences for stricter supply chain laws and are significantly more likely to expect positive sustainability impacts. According to our results, individuals with a conservative political identification tend to expect negative economic consequences in terms of international competition and jobs. However, given the blocking position of the Liberal Party and the opposition of

the Conservative Party in Germany against the CSDDD, it is remarkable that individuals with a liberal or conservative political identification do not have significantly different preferences for stricter supply chain laws than their counterparts. We also find no significant differences in economic expectations between citizens with a liberal political identification and their counterparts.

Our paper therefore contributes to studies that examine individual preferences for the regulation of business activities with respect to human rights and environmental protection along supply chains (e.g., Bergquist, 2023; Kolcava et al., 2023; Rudolph et al., 2023; Smith et al., 2024). Consistent with these studies, we also find that individuals in Germany support stringent supply chain regulations. In addition, our experimental design allows us to analyze the extent to which individuals are willing to pay for key attributes that would tighten the current German Supply Chain Law. Our results suggest that such positive WTP exists for all key attributes, in particular among citizens with a social and ecological political orientation. Notably, we find the highest estimated mean WTP for the possibility to sue for civil damages. However, the estimated mean WTP for a stricter design in terms of the other attributes (i.e., scope of application and scope of prevention) is not much lower.

Since individual support is crucial for the success of supply chain regulations (e.g., Sharpe et al., 2021), our findings can help inform future debates on the design of supply chain legislation. This is especially relevant since the CSDDD still needs to be transposed into national law which would lead to changes in the German supply chain regulation. In this context, our results suggest that the political blockade of supply chain laws does not correspond to the views of the majority of the population in Germany.

## **2. Data, experiment, and variables**

### **2.1. Recruitment process and survey structure**

The data for our empirical analysis were collected as one out of two online surveys among individuals in Germany. The surveys were carried out in July and August 2023 in collaboration with the professional market research institute Psyma+Consulting GmbH (Psyma). Psyma was responsible for programming the questionnaire, conducting the online survey, and recruiting the respondents via its online panel. To make the samples as representative as possible of citizens in Germany aged 18 years and over, they were stratified by age, gender, and the federal state of main residence. The stratification was based on quotas that were representative of the general population in Germany. Psyma also carried out quality checks on all completed

questionnaires (e.g., to screen out participants with systematic response patterns). Overall, 29,587 invitations were sent to panelists for both studies, of which about 12% started one of the two surveys (including screenouts and dropouts). Of the 3,569 respondents who started a survey, more than half were excluded due to screenouts or full quotas and about 6% were excluded because they abandoned the survey. This resulted in a completion rate of about 43% and overall 1,524 respondents in both surveys. All respondents were paid in panel points for taking part in the survey. While 1,017 respondents were randomly assigned to the other survey (that included an incentivized experiment about sustainable purchasing behavior), data from 507 respondents are the basis of this study, which was pre-registered at OSF and ethically approved by the German Association for Experimental Economic Research e.V. (GfeW).

Both surveys consisted of six parts (A-F): Part A contained questions about selected socio-demographic characteristics (e.g., age, gender, and place of residence) to generate a representative sample of the adult population in Germany. In Part B, we asked for economic preferences and political attitudes. Part C contained questions dealing with individual consumption behavior regarding textiles. In line with the two surveys, Part D was split into two subparts. While one subpart referred to an incentivized experiment about sustainable purchasing behavior as aforementioned, the other subpart contained the stated choice experiment that is analyzed in this paper. In Part E, the respondents self-assessed their trust in non-mandatory measures to achieve sustainable consumption behavior, such as voluntary sustainability certificates for companies. The final Part F contained further questions about the socio-demographic background of the respondents. The median completion time of our (sub-)survey was 10.1 minutes.

## **2.2. Experimental design**

To capture individual preferences for different supply chain law designs relative to the German Supply Chain Act, we followed previous studies and conducted a stated choice experiment. Such experiments are a commonly used tool to elicit individual sustainability preferences, such as preferences for the Fairtrade label on coffee or chocolate products (e.g., Andorfer and Liebe, 2012; Vecchio and Annunziata, 2015; Lin and Nayga, 2022; Luckstead et al., 2022). Stated choice experiments are also used to analyze preferences for policies such as land use policies (e.g., Diriye et al., 2022), energy policies (e.g., Kanberger and Ziegler, 2023), transportation policies (e.g., Wicki et al., 2019; Wicki et al., 2020; Huber and Wicki, 2021), climate protection policies (e.g., Kotchen et al., 2013; Ščasný et al., 2017), or food policies (e.g., Fesenfeld et al., 2020, 2022). In general, stated choice experiments are well suited to



capture non-use values that cannot be assessed by other methods such as revealed preference measures (e.g., Ando, 2022).

Following state-of-the-art recommendations for conducting stated preference studies and addressing potential hypothetical bias (e.g., List, 2001; Johnston et al., 2017), we used an easy-to-understand experimental design and implemented a cheap-talk script. At the beginning of the experiment, all respondents were asked whether they had heard of the German Supply Chain Act before and, if they did so, to rate their knowledge. Subsequently, they received a brief description of the content and goals of the German Supply Chain Act to ensure that they had sufficient background knowledge to adequately evaluate their preferences in the following stated choice experiment.<sup>1</sup> Afterwards, in a sequence of six hypothetical decision situations, the respondents were asked to choose between a status quo alternative, representing the current design of the German Supply Chain Act, and alternative supply chain law designs. We explained that the alternative designs were always a stricter version of the current Supply Chain Act in Germany.

We further explained that the design of the two law alternatives differed in the four attributes ‘scope of application,’ ‘scope of prevention measures,’ ‘civil damage claims,’ and ‘additional monthly costs for you,’ which we briefly described to all respondents. In addition, for each decision situation, the respondents were able to view the description of each of the included attributes by clicking on the corresponding attribute. We included these four attributes because they were the most discussed during the legislative process of the German Supply Chain Act and the CSDDD proposal of the European Commission. Table 1 provides an overview of all attributes.

-- Table 1 here --

The attribute *scope of application* specifies whether the law applies only to companies headquartered in Germany (current design of the law) or whether the law applies to all companies that sell their products in Germany. This would mean that more companies would be affected in the case of the stricter design of the law. The attribute *scope of prevention measures* determines whether preventive measures only have to be implemented in the affected companies’ own field of activity including direct suppliers (current design of the law) or whether preventive measures apply to all suppliers of the affected companies, i.e., also to the suppliers of suppliers. In this case, the alternative law would cover the entire supply chain. In addition, the

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<sup>1</sup> For more information on the German Supply Chain Act see Part A of the Online Appendix.

alternatives were characterized by whether or not they include the possibility of civil damage claims. At present, the law does not provide such an option for private individuals to obtain financial compensation for the damage suffered. By introducing this possibility, injured parties (e.g., employees of suppliers) would be able to claim compensation from companies in the affected supply chain.

We also included a cost attribute that allows us to estimate the mean WTP for each of the previous attributes and thus for different components of the law. The attribute *additional monthly costs for you* indicates the additional costs for each individual caused by a stricter law. To construct the attribute, we assumed that the costs imposed on companies as a result of a stricter supply chain law would be passed on to customers in the form of higher product prices. To determine the amount of individual costs, we divided the total costs caused by the adopted law, as estimated by the Federal Ministry of Labour and Social Affairs in its draft of the German Supply Chain Act (e.g., BMAS, 2021), by the number of German citizens. Figure 1 shows the screenshot (translated in English) of an exemplary choice set of the stated choice experiment.<sup>2</sup>

-- Figure 1 here --

To control for order effects, we randomly varied the order of the two alternatives across the respondents (but not over choice sets within respondents). Thus, for each respondent, the status quo alternative was presented either always on the left or always on the right side of the screen. We also randomly varied the order of the attributes in the choice sets across the respondents. Only the cost attribute was always presented as the last attribute at the bottom of each choice set.

### **2.3. Variables**

#### *Variables derived from the experiment*

To econometrically analyze the data from our stated choice experiment, we constructed the variable *choice* that takes the value of one for the chosen alternative in each choice set, and zero otherwise. In addition, we constructed dummy variables for each of the four attributes (i.e., *scope of application: All companies*, *scope of prevention measures: All suppliers*, *civil damage claims possible*, and *additional monthly costs*), the status quo option (*status quo*), and

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<sup>2</sup> The original screenshot (in German) of this choice set can be found in Part B of the Online Appendix.

an auxiliary variable (*left*) that allows us to control for potential order effects. Panel A in Table 2 presents an overview of these experimental variables.

-- Table 2 here --

#### *Variables capturing perceived consequences of stricter supply chain laws*

To better understand how individuals think about supply chain laws, we asked the respondents after the experiment to indicate their level of agreement with six different statements about the potential consequences of supply chain laws.<sup>3</sup> The respondents had to choose from an ordinal scale with the five categories ‘completely disagree,’ ‘rather disagree,’ ‘undecided,’ ‘rather agree,’ and ‘completely agree,’ respectively. Two statements addressed potential improvements in sustainability aspects along global supply chains (i.e., improvement in human rights and environmental protection, respectively). The other four statements dealt with possible economic consequences for the respondents themselves (i.e., additional purchase costs) and for the affected companies (i.e., disadvantages in international competition, loss of jobs, and reduced product supply). For the econometric analysis, we constructed dummy variables for each statement (see Panels B and C in Table 2).

#### *Awareness of the German Supply Chain Act*

Since knowledge of the current German Supply Chain Act might influence the preferences for different components of the law, we asked the participants prior to the experiment whether they had heard of the German Supply Chain Act before the survey. The variable *already heard of the law* takes the value of one if the respondent has heard of the law (see Panel C in Table 2). Only about 33% of the respondents indicated having heard of the German Supply Chain Act before this survey, with only about 8% assessing their knowledge of the law to be ‘rather high’ or ‘very high.’

#### *Individual characteristics*

To analyze who supports stringent supply chain legislation, we consider a variety of individual characteristics (see Panel D in Table 2). Previous studies find that political attitudes are often a significant determinant of support for various sustainable policies (e.g., Drews and van den Bergh, 2016; Kauder et al., 2018; Kanberger and Ziegler, 2023). For example, individuals with a strong social policy identification may highly value human rights and fair labor prac-

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<sup>3</sup> Part C of the Online Appendix comprises all survey questions that are considered in this paper.

tices, leading them to pay a premium for products produced under stricter supply chain regulations. Similarly, citizens with an ecological policy identification may favor stricter supply chain laws that promote environmental protection. Conversely, the Liberal Party vehemently opposed the tightening of the Supply Chain Act in Germany so that it can be expected that citizens with a liberal policy identification think similarly. To see to what extent the preferences of citizens from different political backgrounds are in line with these expectations, we included multidimensional indicators to capture individual policy identification (e.g., Ziegler, 2019; Engler et al., 2021).

Finally, we also consider standard socio-demographic and socio-economic characteristics such as age, gender, education level, income, and main place of residence at the federal state level (see Panel D in Table 2). The descriptive statistics for these variables are reported in Table 3. About 54% of the respondents are female, and the average age is 51.4 years. These figures are consistent with official population statistics (e.g., Federal Statistical Office, 2024; Federal Statistical Office, 2025a). The same applies to the distribution of the main place of residence at the federal state level (e.g., Federal Statistical Office, 2025b). Therefore, our sample is widely representative of the German adult population in terms of the stratification criteria used. Comparing further individual characteristics to official information on the general population, our sample also has a similar proportion of individuals with a university entrance qualification and a slightly higher average household income (e.g., BPB, 2024; Federal Statistical Office, 2025c). Table 3 additionally shows relatively high shares of individuals with an ecological and especially social policy identification, whereas the shares are lower for a liberal and conservative political identification.<sup>4</sup>

-- Table 3 here --

### **3. Empirical results**

#### **3.1 Individual preferences for supply chain laws**

To estimate the preferences and the mean WTP for the different attribute variables, we use random parameter logit models in WTP space. This approach addresses unobserved heterogeneity in WTP and takes into account the panel data structure in our dataset, as each respondent made six consecutive choices (e.g., Train, 2009). In particular, considering models in WTP

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<sup>4</sup> The high share of respondents who identify themselves with ecologically oriented policy should not be compared with the lower share of voters of the German Green Party since many voters of other parties and non-voters have an ecological policy identification.

space rather than in preference space allows us to interpret the estimated parameters directly as estimated mean WTP for the corresponding attribute variable. For the Simulated Maximum Likelihood estimation of the random parameter logit models, based on 1,000 Halton draws, we assumed uncorrelated normally distributed parameters and used the R package *logitr*.

The corresponding estimation results in Table 4 show that citizens in Germany, on average, have a significantly positive preference for stricter supply chain laws than the existing national Supply Chain Act. This finding applies to all three attribute variables considered, i.e., the scope of application, the scope of preventive measures, and the right to claim civil damages. The results suggest that individuals are willing to pay €8.23 more per month for the products they consume if the law applies to all companies selling their products in Germany, and not just those headquartered in Germany. We also find an estimated mean WTP of €7.45 per month when companies are required to take preventive measures for their own activities and for all their suppliers (including the suppliers of suppliers) compared to when companies are only required to take preventive measures for their own activities, including their direct suppliers. We find the highest estimated mean WTP (€8.57 per month) for the possibility of asserting civil damage claims, i.e., that the law allows such civil damage claims, compared to a law that does not allow civil damages claims. As expected, we see a strongly significantly negative effect of higher costs in general.<sup>5</sup>

-- Table 4 here --

In addition, for each attribute variable, the estimated standard deviations of the WTP distributions are significantly different from zero. This result suggests that there is considerable unobserved heterogeneity in the WTP for stringent supply chain regulation. Given our assumption that the WTP for each attribute variable is normally distributed, we can estimate the share of individuals with a positive or negative WTP for each attribute variable. For example, an estimated mean of €8.23 and an estimated standard deviation of €17.30 imply that about 68% of individuals have a positive WTP for extending the law to all companies selling their products in Germany.<sup>6</sup> The remaining about 32% are opposed to such stringent regulation, as indicated by an estimated negative WTP. Regarding the remaining two attribute variables, our estimation results suggest that about 72% prefer that companies are obliged to take preventive measures for their own activities and about 78% prefer the possibility of civil damage claims.

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<sup>5</sup> In line with Carson and Czajkowski (2019), we redefine the costs that are associated with choosing a specific alternative as the negative to ensure that the costs contribute negatively to the utility function.

<sup>6</sup>  $P(WTP > €0) = 1 - \Phi\left(\frac{0 - 8.23}{17.30}\right) = 1 - \Phi(-0.48) = 0.68.$

Given the controversial debate about the consequences of stricter supply chain laws in the political sphere, we additionally examine how the preferences for different supply chain law designs vary across individual political attitudes. To this end, we interact each attribute variable with each of our four measures for political identification. We control for age, gender, education, income, regional differences at the federal state level, and prior knowledge of the German supply chain law by additionally interacting the attribute variables with these variables. Table 5 reports selected Simulated Maximum Likelihood estimation results of the corresponding random parameter logit model.<sup>7</sup>

-- Table 5 here --

We find that individuals who identify with ecological policies have significantly stronger preferences and a significantly higher mean WTP to extend the scope of the law to all companies headquartered in Germany and to require all suppliers in the supply chain to implement prevention measures. The estimated differences in the mean WTP between citizens with and without an ecological policy identification are €9.81 and €5.08, respectively. For the other indicators of political identification, we find no significant differences in relation to these two attribute variables. The possibility of claiming damages under civil law is particularly favored by individuals with a social policy identification. We find a significantly higher mean WTP of €6.39 for this group than for the counterparts. For the other indicators of political identification, we find no significant differences in preferences for this attribute variable. Remarkably, citizens who identify with conservative or liberal politics do not have a significantly different mean WTP for any of these three attribute variables compared to individuals who do not identify with these political identifications.<sup>8</sup>

In line with the results in Table 4, we also find that all estimated standard deviations of the WTP distributions are large and significantly different from zero. This suggests that although we have accounted for some heterogeneity by including interaction terms with individual characteristics, a substantial amount of heterogeneity remains unexplained. Thus, unobserved characteristics may influence preferences for stricter supply chain laws.

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<sup>7</sup> The complete estimation results are reported in the table in Part D of the Online Appendix.

<sup>8</sup> Regarding the included control variables, we find no significant effect on the preferences for the respective attributes in almost all cases (see the table in Part D of the Online Appendix).

### 3.2 Perceived consequences of supply chain laws

To better understand the reasons that drive the preferences for different supply chain law designs, we consider the impacts and consequences that citizens associate with supply chain laws. In light of the main goal of supply chain legislation, which is to protect human rights and the environment along supply chains, and the political arguments against the law, which emphasize possible negative economic consequences, we examine the perceived impact of supply chain laws on sustainability in supply chains and perceived economic consequences of supply chain laws. Figure 2 shows the shares of agreement with the six statements about the potential consequences of supply chain laws, respectively.

-- Figure 2 here --

We find that the majority of respondents associate positive sustainability effects with supply chain laws. About 60% expect an improvement in human rights or environmental protection along supply chains. The perceptions are less uniform when it comes to the economic consequences of supply chain laws. While a majority of about 60% of the respondents expect additional purchase costs, only about 40% expect disadvantages in international competition. In addition, less than 30% of the respondents expect job losses or a reduction in the product supply. For the last three indicators, however, the (relative) majority of the respondents are undecided whether supply chain laws would have negative economic consequences.

Based on an econometric analysis with six binary probit models, we finally examine the relationship between individual characteristics and the perceived impact of supply chain laws on sustainability in supply chains or the perceived economic consequences of supply chain laws. The Maximum Likelihood estimation results in Table 6 show that citizens who identify with ecological policies and in particular those who identify with social policies are significantly more likely to expect improvements in human rights or environmental protection than their corresponding counterparts. With regard to the perceived economic consequences of supply chain laws, we find no significant differences between these two groups and their counterparts, with one exception. Given a significance level of 10%, we find weak evidence that individuals who identify with social policies are less likely to expect a reduction in product supply.

-- Table 6 here --

Consistent with the first two population groups, individuals with a liberal political identification are significantly more likely to expect an improvement in human rights. While we find no significant difference in the perceptions of this group compared to their counterparts in

most of the remaining categories, citizens with a liberal policy identification are significantly less likely to expect job losses as a result of supply chain legislation. These results for individuals with a liberal policy identification are contrary to the position of the Liberal Party in Germany. In contrast, citizens with a conservative political identification are significantly more likely to expect negative economic consequences of supply chain laws, i.e., disadvantages in international competition or job losses. Otherwise, there is no further significant correlation between policy identification and the perceived impact of supply chain laws on sustainability in supply chains or the perceived economic consequences of supply chain laws. The estimation results for the other individual characteristics do not show any clear patterns.

#### **4. Discussion and conclusion**

Inspired by the controversial public and political debate about the introduction of human rights and environmental due diligence laws in various EU countries and the introduction of the CSDDD at the EU level, this paper examines individual preferences and the WTP for different designs of supply chain laws. Based on data from a stated choice experiment that was included in an online survey of 507 citizens in Germany, our econometric analysis shows that individuals, on average, have a significantly positive preference for stricter supply chain laws in terms of the scope of application, the scope of prevention measures, and the possibility of civil damage claims compared to the status quo of the existing national Supply Chain Act. Our survey data also reveal that the majority of the respondents expect positive sustainability impacts from supply chain laws, i.e., improvements in human rights and environmental protection. However, there is ambiguity and uncertainty about whether the economic consequences, for example, in terms of disadvantages in international competition or reduced product supply, are predominantly negative. This naturally gives the relevant stakeholders and political parties the opportunity to convince citizens who are undecided in their perceptions towards stringent supply chain legislation.

Since supply chain laws are designed to improve social and ecological conditions along supply chains, it is not surprising that citizens with a social or ecological political identification have significantly stronger preferences for stricter supply chain laws and are significantly more likely to perceive positive sustainability impacts. These results are consistent with the general position of the left-wing and green parties in Germany, which are in favor of supply chain laws (although the support has currently decreased among the Green and Social Democratic Parties). Our results also show that individuals with a conservative political identification are significantly more likely to expect negative economic consequences in terms of international



competition and jobs. However, given the blocking position of the German Liberal Party and the opposition of the German Conservative Party to the CSDDD and currently to supply chain laws in general, it is remarkable that individuals with a liberal or conservative political identification do not have significantly different preferences for stricter supply chain laws than their counterparts. We also do not find significant differences in economic expectations between citizens with a liberal political identification and their counterparts. Our results therefore suggest that the political blockade of stringent supply chain legislation or even supply chain laws in general does not correspond to the views of the majority of the population in Germany.

While our econometric analysis shows a significantly positive preference for stricter supply chain laws in all three key attributes, the strongest estimated preference and the highest estimated mean WTP refers to civil damage claims, i.e., the possibility to sue for corresponding damages, especially among citizens with social and ecological political identifications. This is remarkable since the existing German Supply Chain Act (even in its revised version from 2024) does not include any civil liability, whereas the final version of the CSDDD allows injured parties to sue companies from the EU for abuses along the supply chains. As already mentioned, the provisions of the CSDDD must be transposed into national laws. For Germany, this means that the legislator has to amend the existing German Supply Chain Act and add civil liability, which, according to our study, is strongly supported by the population on average. Since the provisions on civil liability are not included in the list of fully harmonized norms, Germany could even introduce stricter liability rules, although this seems unlikely given the current statements of most political parties.

Our study is not without limitations. Since stated preferences studies can be prone to potential hypothetical bias (e.g., Murphy et al., 2005), we confronted the participants in our experiment with easy-to-understand binary choices (e.g., Johnston et al., 2017), used cheap talk scripts, and included realistic scenarios for supply chain laws based on actual discussions (e.g., Stantcheva, 2023). However, we cannot completely rule out the possibility that the participants exaggerated their WTP for stricter supply chain regulations. Furthermore, the exact levels of the estimated WTP should be interpreted with caution since the cost attribute is based on estimated costs for businesses by the German Federal Ministry of Labour and Social Affairs, which could differ from the actual compliance costs since such supply chain solutions may come with hidden costs (e.g., LeBaron and Lister, 2021). In addition, the WTP estimates are based on the assumption that companies pass these costs on to their customers on a one-to-

one basis. If these assumptions are not met, the actual WTP may differ from our estimated WTP.

Moreover, we may have primed our participants to perceive the cost implications of the supply chain laws as more severe by drawing attention to the assumption that companies will pass on the costs incurred by the laws. In the case of such a priming effect, the average additional monthly costs presented to the participants across all six choice sets should be positively correlated with the perceived additional personal costs due to supply chain laws, which were asked in the survey after the stated choice experiment. However, the corresponding correlations are close to zero and not significant. With respect to the design of the stated choice experiment, it is important to note that we only included a few key attributes of supply chain laws since marginal learning rates decrease with more information (e.g., Needham et al., 2018). However, citizens may consider other attributes to be important as well. Therefore, this study could form the basis for future studies that consider additional and other attributes and aspects of supply chain laws, such as the implementation of stricter environmental standards.

Future research could also address the economic consequences of supply chain legislation for affected companies. Companies often fear an increase in costs due to these due diligence obligations, which could put them at a disadvantage in international competition (e.g., Fratzscher, 2021). Our study assumes that companies could offset the increased costs by raising the prices of goods produced under fair and environmentally friendly conditions in accordance with supply chain laws. One research question is therefore to what extent individuals value such a solution compared to voluntary approaches to ensuring compliance with human rights and environmental protection, for example, through private or state certificates or labels. A possible direction for future studies could therefore be to analyze individual preferences for these two options directly in a controlled setting. In this context, it could also be examined to what extent the preferences depend on the general or personal economic situation. It can be assumed that the preference for stricter supply chain laws with additional purchase costs would be weaker in an economic downturn or in individually economically difficult times.

In the context of a sustainable transformation of the economy, the overall main goal of supply chain legislation is to make supply chains more sustainable in terms of the relationship between people and nature and society, i.e., to protect human rights and the environment along the supply chains (e.g., Gardner et al., 2019). However, since these types of laws regulate global supply chains, future studies should naturally also consider the situation of the countries

at the beginning of the supply chain and the preferences of the people in these countries (e.g., Smith et al., 2024). Furthermore, it would be interesting to analyze the effectiveness of the German Supply Chain Act and other supply chain laws in improving human rights and the environmental situation.

### **Acknowledgements and declaration of interest**

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## Tables

Table 1: Attributes and attribute levels used in the stated choice experiment

Attribute	Attribute levels
Scope of application	<ul style="list-style-type: none"><li>• Only companies that have their headquarters in Germany (current design of the supply chain law)</li><li>• All companies that sell their products in Germany</li></ul>
Scope of prevention measures	<ul style="list-style-type: none"><li>• Only companies' own field of activity including direct suppliers (current design of the supply chain law)</li><li>• Companies' own field of activity and all suppliers (including the suppliers of suppliers)</li></ul>
Civil damage claims	<ul style="list-style-type: none"><li>• No (current design of the supply chain law)</li><li>• Yes</li></ul>
Additional monthly costs for you	<ul style="list-style-type: none"><li>• No additional costs</li><li>• €10</li><li>• €20</li><li>• €30</li><li>• €40</li><li>• €50</li></ul>



Table 2: Definition of variables

Variable	Definition
<b><i>Panel A: Attributes and further variables derived from the experiment</i></b>	
Scope of application: All companies	= one if the attribute level of “scope of application” is “all companies that sell their products in Germany,” and zero if the attribute level is “only companies that have their headquarters in Germany”
Scope of prevention measures: All suppliers	= one if the attribute level of “scope of prevention measures” is “companies’ own field of activity and all suppliers (including the suppliers of suppliers),” and zero if the attribute level is “only companies’ own field of activity including direct suppliers”
Civil damage claims possible	= one if the attribute level of “civil damage claims” is “yes,” and zero if the attribute level is “no”
Additional monthly costs	= amount of money that was presented to the respondents for the attribute “additional monthly costs for you”
Status quo	= one for the alternative representing the current German Supply Chain Act, and zero for the stricter design of the supply chain law
Left	= one if the stricter design of the law was presented on the left side of the choice set, and zero if it was presented on the right side
<b><i>Panel B: Perceived impact of supply chain laws on sustainability in supply chains</i></b>	
Improvement in human rights	= one if the respondent rather or totally agreed that supply chain laws lead to an improvement in human rights in global supply chains, and zero otherwise
Improvement in environmental protection	= one if the respondent rather or totally agreed that supply chain laws lead to an improvement in environmental protection in global supply chains, and zero otherwise
<b><i>Panel C: Perceived economic consequences and awareness of supply chain laws</i></b>	
Additional purchase costs	= one if the respondent rather or totally agreed that supply chain laws generally lead to additional costs for her/him when purchasing products, zero otherwise
Disadvantages in international competition	= one if the respondent rather or totally agreed that supply chain laws lead to disadvantages in international competition for the affected companies, and zero otherwise
Loss of jobs	= one if the respondent rather or totally agreed that supply chain laws lead to job losses for the affected companies, and zero otherwise
Reduced product supply	= one if the respondent rather or totally agreed that supply chain laws lead to a reduced product supply for the affected companies, and zero otherwise
Already heard of the law	= one if the respondent has heard of the German Supply Chain Act before the survey, zero otherwise

Table 2: Definition of variables (continued)

Variable	Definition
<i>Panel D: Individual characteristics</i>	
Social policy identification	= one if the respondent rather or totally agreed to identify with socially oriented policies, and zero otherwise
Ecological policy identification	= one if the respondent rather or totally agreed to identify with ecologically oriented policies, and zero otherwise
Liberal policy identification	= one if the respondent rather or totally agreed to identify with liberally oriented policies, and zero otherwise
Conservative policy identification	= one if the respondent rather or totally agreed to identify with conservatively oriented policies, and zero otherwise
Age	= age of the respondent in years
Male	= one if the respondent was male, and zero otherwise
High education	= one if the respondent had at least a university entrance qualification, and zero otherwise
Equivalized income	= monthly household income (in €1,000) divided by a measure that assigns the value of one to the first adult household member, the value of 0.5 to each household member aged 14 years and over, and the value of 0.3 to each household member under the age of 14 years
Dummy variables for the German federal states	= dummy variables that take the value of one if the main place of residence of the respondent is in the corresponding one of the 16 federal states in Germany, and zero otherwise

Table 3: Descriptive statistics of individual characteristics

Variable	Mean	Standard deviation	Minimum	Maximum
Social policy identification	0.58	0.49	0	1
Ecological policy identification	0.38	0.49	0	1
Liberal policy identification	0.33	0.47	0	1
Conservative policy identification	0.22	0.41	0	1
Age	51.41	16.69	18	85
Male	0.46	0.50	0	1
High education	0.40	0.49	0	1
Equivalized income	1.82	0.96	0.13	10.25
<i>Dummy variables for the German federal states</i>				
Baden-Württemberg	0.11	0.31	0	1
Bavaria	0.17	0.37	0	1
Berlin	0.05	0.21	0	1
Brandenburg	0.03	0.17	0	1
Bremen	0.01	0.09	0	1
Hamburg	0.03	0.17	0	1
Hesse	0.07	0.25	0	1
Lower Saxony	0.10	0.30	0	1
Mecklenburg-Western Pomerania	0.03	0.16	0	1
North Rhine-Westphalia	0.22	0.41	0	1
Rhineland-Palatinate	0.06	0.23	0	1
Saarland	0.02	0.12	0	1
Saxony	0.04	0.20	0	1
Saxony-Anhalt	0.02	0.12	0	1
Schleswig-Holstein	0.04	0.19	0	1
Thuringia	0.03	0.17	0	1

Table 4: Estimated means (=WTP) and standard deviations in a random parameter logit model

Explanatory variable	Estimated mean	Estimated standard deviation
Scope of application: All companies	8.23*** (5.11)	17.30*** (7.66)
Scope of prevention: All suppliers	7.45*** (4.95)	12.76*** (4.91)
Civil damage claims possible	8.57*** (5.60)	10.91*** (3.45)
Status quo	-0.50 (-0.26)	21.67*** (12.41)
Left	1.39 (1.05)	--
Costs	0.10*** (12.83)	--
Number of respondents		507
Number of observations		3,042

Note: This table reports the Simulated Maximum Likelihood estimation results in a random parameter logit model in WTP space, based on 3,042 observations (= 507 respondents · 6 decisions). The dependent variable is *choice*. All variables are defined in Table 2. \*\*\* (\*\*, \*) indicates that the corresponding estimated parameter is different from zero at the 1% (5%, 10%) significance level (robust z statistics in parentheses).

Table 5: Estimated means and standard deviations in a random parameter logit model including interactions with individual characteristics

Explanatory variable	Estimated mean	Estimated standard deviation
Scope of application: All companies	-6.51 (-1.06)	15.04*** (6.42)
× social policy identification	0.92 (0.28)	--
× ecological policy identification	9.81*** (2.94)	--
× liberal policy identification	-2.50 (-0.81)	--
× conservative policy identification	1.57 (0.44)	--
Scope of prevention: All suppliers	16.76*** (3.08)	9.49*** (2.82)
× social policy identification	4.44 (1.62)	--
× ecological policy identification	5.08* (1.74)	--
× liberal policy identification	-1.92 (-0.68)	--
× conservative policy identification	-0.07 (-0.02)	--
Civil damage claims possible	12.46* (1.96)	8.39*** (2.64)
× social policy identification	6.39** (2.16)	--
× ecological policy identification	0.97 (0.34)	--
× liberal policy identification	-2.57 (-0.94)	--
× conservative policy identification	0.12 (0.04)	--
Status quo	-0.84 (-0.45)	21.14*** (12.90)
Left	0.78 (0.62)	--
Costs	0.10*** (13.39)	--
Interactions of attribute variables with control variables		Yes
Number of respondents		507
Number of observations		3,042

Note: This table reports the Simulated Maximum Likelihood estimation results in a random parameter logit model in WTP space, based on 3,042 observations (= 507 respondents · 6 decisions). The dependent variable is *choice*. Each attribute variable is interacted with the four measures of political identification. “Interactions of attribute variables with control variables” means that we additionally included interaction terms between each attribute variable and age, gender, education, income, prior knowledge of the German Supply Chain Act, and the dummy variables for the German federal states, respectively. The complete estimation results are reported in the table in Part D of the Online Appendix. All variables are defined in Table 2. \*\*\* (\*\*, \*) indicates that the corresponding estimated parameter is different from zero at the 1% (5%, 10%) significance level (robust z statistics in parentheses).

Table 6: Estimated probability effects in six binary probit models to explain the perceived impact of supply chain laws on sustainability in supply chains and perceived economic consequences of supply chain laws

Explanatory variable	Dependent variable					
	Improvement in human rights	Improvement in environmental protection	Additional purchase costs	Disadvantages in international competition	Loss of jobs	Reduced product supply
Social policy identification	0.21*** (4.98)	0.24*** (5.65)	0.05 (1.00)	-0.00 (-0.05)	-0.03 (-0.71)	-0.08* (-1.77)
Ecological policy identification	0.11** (2.41)	0.09* (1.85)	-0.04 (-0.86)	-0.04 (-0.76)	-0.06 (-1.22)	0.01 (0.22)
Liberal policy identification	0.09** (1.97)	0.07 (1.46)	-0.00 (-0.05)	-0.00 (-0.07)	-0.08* (-1.73)	0.01 (0.21)
Conservative policy identification	-0.05 (-0.99)	-0.05 (-0.90)	-0.02 (-0.28)	0.11** (2.09)	0.13*** (2.81)	0.02 (0.49)
Age	0.00 (1.10)	0.00 (0.07)	0.00 (1.64)	0.00 (0.47)	-0.00 (-0.78)	-0.00 (-1.45)
Male	-0.11*** (-2.74)	-0.02 (-0.50)	-0.03 (-0.58)	0.08* (1.90)	0.03 (0.67)	0.05 (1.14)
High education	0.08* (1.86)	0.01 (0.26)	-0.06 (-1.22)	-0.05 (-1.17)	-0.02 (-0.50)	0.01 (0.13)
Equivalized income	0.04* (1.74)	0.05** (2.21)	0.00 (0.14)	0.05** (2.08)	-0.02 (-1.17)	-0.02 (-1.14)
Already heard of the law	0.09** (2.00)	0.04 (0.86)	-0.01 (-0.16)	-0.01 (-0.14)	-0.01 (-0.28)	0.01 (0.14)
Dummy variables for the German federal states	Yes	Yes	Yes	Yes	Yes	Yes
Number of respondents	507	507	507	507	503	507

Note: Based on the Maximum Likelihood estimation results in six separate binary probit models, this table reports the estimates of average marginal and discrete probability effects of continuous and discrete explanatory variables, respectively. All dependent and explanatory variables are defined in Table 2. \*\*\* (\*\*, \*) indicates that the corresponding estimated effect is different from zero at the 1% (5%, 10%) significance level (robust z statistics in parentheses).

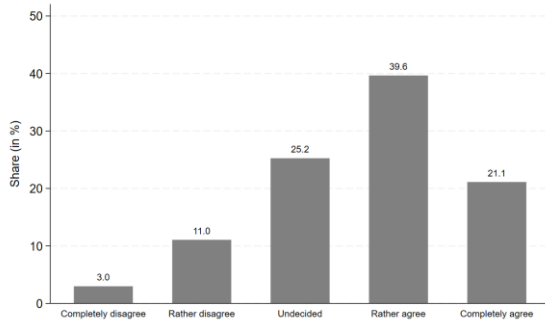
## Figures

Let's begin with the first selection. Which of the following two supply chain laws would you most likely choose?

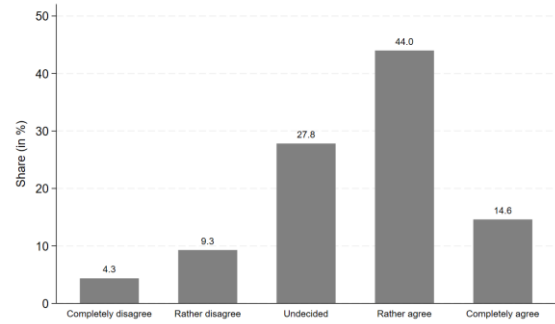
(1 / 6)

	<b>CURRENT SUPPLY CHAIN LAW</b>	<b>STRICTER SUPPLY CHAIN LAW</b>
<b>Scope</b> ⓘ	Only companies that have their <b>headquarters in Germany</b>	<b>All companies</b> that sell their products in Germany
<b>Scope of preventive measures</b> ⓘ	Only company's own field of activity including <b>direct suppliers</b>	Only company's own field of activity including <b>direct suppliers</b>
<b>Civil liability claims</b> ⓘ	No	Yes
<b>Additional monthly costs for you</b> ⓘ	No additional costs	10 euros
<b>Your decision</b>	<input type="button" value="Select"/>	<input type="button" value="Select"/>

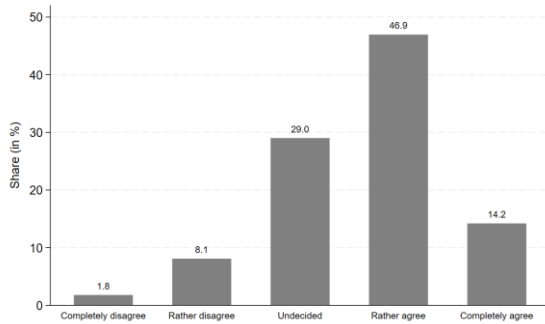
Figure 1: Screenshot (translated in English) of an exemplary choice set of the stated choice experiment



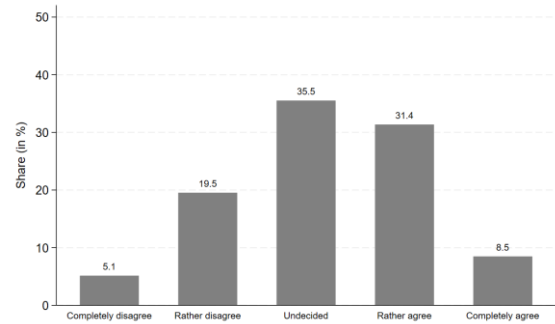
Panel a: Improvement in human rights



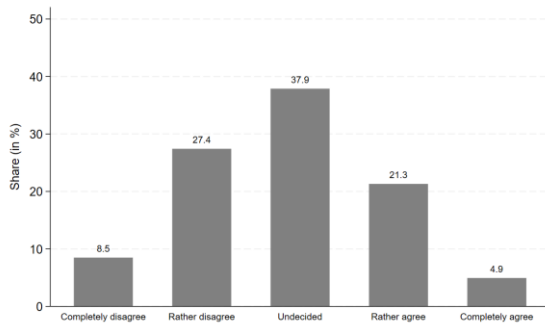
Panel b: Improvement in environmental protection



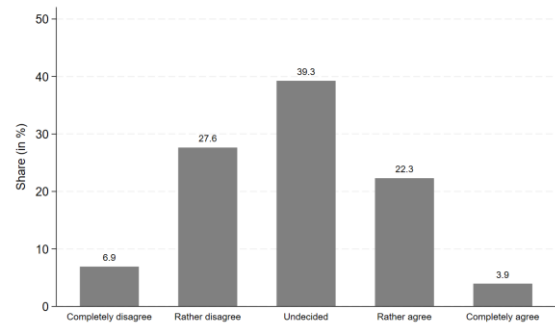
Panel c: Additional purchase costs



Panel d: Disadvantages in international competition



Panel e: Loss of jobs



Panel f: Reduced product supply

Figure 2: Shares (in %) of agreement with statements about the impact of supply chain laws on sustainability in supply chains and economic consequences of supply chain laws



## Online Appendix

### Online Appendix Part A: The German Supply Chain Act

The German Supply Chain Act, which entered into force in 2023, requires companies with more than 3,000 employees (since January 2024 with more than 1,000 employees) to comply with new due diligence obligations. Among other things, the German Supply Chain Act obliges companies to conduct regular risk analyses, provide detailed documentation, take corrective actions, and establish a complaints procedure in the case of violations of human rights or environmental standards in their supply chains. Non-compliers are sanctioned financially and can be excluded from public tenders (for up to three years). The initial draft of the German Supply Chain Act contained several design features that differed from the law that was finally adopted.<sup>9</sup> The design of the current law was driven by the trade-off between protecting human rights and reducing the overburdening of companies with these new due diligence obligations. However, critical voices have raised concerns regarding the current design of the law, assessing it as a dilution of the original draft law (e.g., Ryerson et al., 2022). The law has been called a “toothless tiger” (e.g., Fratzscher, 2021), highlighting the perceived limitations in the ability of the law to actually protect human rights and the environment within supply chains.

#### References Online Appendix Part A:

Fratzscher, M. (2021), Der faule Kompromiss beim Lieferkettengesetz: Kommentar, *DIW Wochenbericht* 88, 128.

Ryerson, C., D. Pinkert, and A. Kelly (2022), Seeking justice: The state of transnational corporate accountability, *Yale LJF* 132, 787-813.

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<sup>9</sup> Additional information on the draft of the German Supply Chain Act can be found here: <https://www.bmas.de/DE/Service/Gesetze-und-Gesetzesvorhaben/Gesetz-Unternehmerische-Sorgfaltspflichten-Lieferketten/gesetz-unternehmerische-sorgfaltspflichten-lieferketten.html>.

**Online Appendix Part B: Original screenshot (in German) of an exemplary choice set of the stated choice experiment**

Beginnen wir nun mit der ersten Auswahl. Für welches der folgenden zwei Lieferkettengesetze würden Sie sich am ehesten entscheiden?

(1 / 6)

	<b>DERZEITIGES LIEFERKETTEN-GESETZ</b>	<b>VERSCHÄRFTES LIEFER-KETTENGESETZ</b>
Geltungsbereich 	Lediglich Unternehmen, die ihren <b>Hauptsitz in Deutschland</b> haben	<b>Alle Unternehmen</b> , die ihre Produkte in Deutschland verkaufen
Einsatzbereich der Präventionsmaßnahmen 	Lediglich eigenes Tätigkeitsfeld von Unternehmen einschließlich <b>direkter Zulieferer</b>	Lediglich eigenes Tätigkeitsfeld von Unternehmen einschließlich <b>direkter Zulieferer</b>
Zivile Schadensersatzansprüche 	Nein	Ja
Zusätzliche monatliche Kosten für Sie 	Keine zusätzlichen Kosten	10 Euro
Ihre Entscheidung	<input type="button" value="Wählen"/>	<input type="button" value="Wählen"/>

**Online Appendix Part C: Survey questions for the variables in the econometric analysis (translated into English)**

*The following question is used to construct the variables ‘improvement in human rights,’ ‘improvement in environmental protection,’ ‘additional purchase costs,’ ‘disadvantages in international competition,’ ‘loss of jobs,’ ‘reduced product supply.’*

	Totally disagree	Rather disagree	Undecided	Rather agree	Totally agree
Supply chain laws lead to an improvement in human rights in global supply chains	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supply chain laws lead to an improvement in environmental protection in global supply chains	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supply chain laws generally lead to additional costs for me when purchasing products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supply chain laws lead to disadvantages in international competition for the affected companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supply chain laws lead to job losses for the affected companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supply chain laws lead to a reduced product supply for the affected companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*The following question is used to construct the explanatory variable ‘already heard of the law.’*

Have you heard of the supply chain law before this survey?

No	<input type="checkbox"/>
Yes	<input type="checkbox"/>

*The following question is used to construct the explanatory variables 'social policy identification,' 'ecological policy identification,' 'liberal policy identification,' 'conservative policy identification.'*

The following is about your attitude towards various political and social aspects. Please indicate the extent to which you agree with the following statements:

	Totally disagree	Rather disagree	Undecided	Rather agree	Totally agree
I identify myself with socially oriented politics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I identify myself with ecologically oriented politics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I identify myself with liberally oriented politics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I identify myself with conservatively oriented politics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*The following question is used to construct the explanatory variable 'age:'*

Please indicate your age: \_\_\_\_\_ years

*The following question is used to construct the explanatory variable 'male:'*

Please indicate your gender:

Male	<input type="checkbox"/>
Female	<input type="checkbox"/>
Diverse	<input type="checkbox"/>

*The following question is used to construct the explanatory variable 'high education:'*

What is your highest school or university degree?

I left school without a diploma	<input type="checkbox"/>
I am currently going to school	<input type="checkbox"/>
I am currently studying	<input type="checkbox"/>
Elementary / secondary school degree (GDR: 8 <sup>th</sup> grade)	<input type="checkbox"/>
Secondary school degree / middle maturity (GDR: 10 <sup>th</sup> grade)	<input type="checkbox"/>
Graduated from polytechnic high school (8 <sup>th</sup> / 10 <sup>th</sup> grade)	<input type="checkbox"/>
University entrance qualification (completion of a technical high school degree)	<input type="checkbox"/>
High school degree (Abitur) / university entrance qualification	<input type="checkbox"/>
University degree or vocational college degree (GDR: engineering and technical high school degree)	<input type="checkbox"/>
University or college degree	<input type="checkbox"/>
Doctorate or postdoctoral qualification	<input type="checkbox"/>
Other degree, namely:	<input type="checkbox"/>

*The following questions are used to construct the explanatory variable 'equivalized income:'*

What is the monthly household income of all people currently living permanently in your household? Please refer to the current monthly net amount, i.e., after deduction of taxes and social security contributions, and please add regular payments such as pensions, housing benefits, child benefits, BAföG, alimony payments, etc. If you are not sure, please estimate the monthly amount.

Less than 500 euros	<input type="checkbox"/>
500 to under 1,000 euros	<input type="checkbox"/>
1,000 to under 1,500 euros	<input type="checkbox"/>
1,500 to under 2,000 euros	<input type="checkbox"/>
2,000 to under 2,500 euros	<input type="checkbox"/>
2,500 to under 3,000 euros	<input type="checkbox"/>
3,000 to under 3,500 euros	<input type="checkbox"/>
3,500 to under 4,000 euros	<input type="checkbox"/>
4,000 to under 4,500 euros	<input type="checkbox"/>
4,500 to under 5,000 euros	<input type="checkbox"/>
5,000 to under 5,500 euros	<input type="checkbox"/>
5,500 to under 6,000 euros	<input type="checkbox"/>
6,000 to under 6,500 euros	<input type="checkbox"/>
6,500 to under 7,000 euros	<input type="checkbox"/>
7,000 to under 7,500 euros	<input type="checkbox"/>
7,500 to under 8,000 euros	<input type="checkbox"/>
8,000 euros or more	<input type="checkbox"/>

Please enter the number of people currently living permanently in your household (i.e., adults and children, including yourself).

Number of people: \_\_\_\_\_

Please enter the number of children under the age of 14 years living permanently in your household (if no child under the age of 14 years lives in your household, please enter "0").

Number of children under the age of 14 years: \_\_\_\_\_

*The following question is used to construct the explanatory dummy variables for the German federal states:*

In which state do you live?

Baden-Wuerttemberg	<input type="checkbox"/>
Bavaria	<input type="checkbox"/>
Berlin	<input type="checkbox"/>
Brandenburg	<input type="checkbox"/>
Bremen	<input type="checkbox"/>
Hamburg	<input type="checkbox"/>
Hesse	<input type="checkbox"/>
Mecklenburg-Western Pomerania	<input type="checkbox"/>
Lower Saxony	<input type="checkbox"/>
North Rhine-Westphalia	<input type="checkbox"/>
Rhineland-Palatinate	<input type="checkbox"/>
Saarland	<input type="checkbox"/>
Saxony	<input type="checkbox"/>
Saxony-Anhalt	<input type="checkbox"/>
Schleswig-Holstein	<input type="checkbox"/>
Thuringia	<input type="checkbox"/>

**Online Appendix Part D: Table on the estimated means and standard deviations in a random parameter logit model including interactions with individual characteristics (complete estimation results)**

Explanatory variable	Estimated mean	Estimated standard deviation
Scope of application: All companies	-6.51 (-1.06)	15.04*** (6.42)
× social policy identification	0.92 (0.28)	--
× ecological policy identification	9.81*** (2.94)	--
× liberal policy identification	-2.50 (-0.81)	--
× conservative policy identification	1.57 (0.44)	--
× age	0.08 (0.89)	--
× male	-0.84 (-0.29)	--
× high education	5.95** (2.03)	--
× equivalized household income	0.09 (0.06)	--
× already heard of the law	9.55*** (3.06)	--
Scope of prevention: All suppliers	16.76*** (3.08)	9.49*** (2.82)
× social policy identification	4.44 (1.62)	--
× ecological policy identification	5.08* (1.74)	--
× liberal policy identification	-1.92 (-0.68)	--
× conservative policy identification	-0.07 (-0.02)	--
× age	-0.04 (-0.59)	--
× male	-2.33 (-0.88)	--
× high education	1.58 (0.59)	--
× equivalized household income	-1.45 (-1.07)	--
× already heard of the law	4.29 (1.56)	--
Civil damage claims possible	12.46* (1.96)	8.39*** (2.64)
× social policy identification	6.39** (2.16)	--
× ecological policy identification	0.97 (0.34)	--
× liberal policy identification	-2.57 (-0.94)	--



(Table continued)

	Estimated mean	Estimated standard deviation
× conservative policy identification	0.12 (0.04)	--
× age	-0.13 (-1.60)	--
× male	2.58 (1.01)	--
× high education	-0.08 (-0.03)	--
× equivalized household income	1.29 (1.00)	--
× already heard of the law	-5.79** (-2.18)	--
Status quo	-0.84 (-0.45)	21.14*** (12.90)
Left	0.78 (0.62)	--
Costs	0.10*** (13.39)	--
Number of respondents		507
Number of observations		3,042

Note: This table reports the Simulated Maximum Likelihood estimation results in a random parameter logit model in WTP space, based on 3,042 observations (= 507 respondents · 6 decisions). The dependent variable is *choice*. Each attribute variable is interacted with the four measures of political identification as well as age, gender, education, income, prior knowledge of the German Supply Chain Act, and the dummy variables for the German federal states (the latter results are not reported), respectively. All variables are defined in Table 2. \*\*\* (\*\*, \*) indicates that the corresponding estimated parameter is different from zero at the 1% (5%, 10%) significance level (robust z statistics in parentheses).