

# The German Supply Chain Due Diligence Act

## Meeting the 9 Obligations with Aravo

The German Supply Chain Due Diligence Act goes into effect January 2023. The law places due diligence on companies that have a principal location in Germany (with 3,000 employees, which decreases to 1,000 employees in 2024) to comply with environmental and human rights standards.

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### Establish A Risk Management System

**What do you need to do?** Create a risk management system, analyzing your own human rights and environmental risks, and risks of direct suppliers.

**How can Aravo help?** Our ESG solution helps customers identify supplier risk with assessments aligned to the law, and risk intelligence data to help segment suppliers and prioritize risks.



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### In-house Representative for Human Rights

**What do you need to do?** Appoint a human rights officer who is responsible for monitoring risk management in supply chains.

**How can Aravo help?** Aravo helps gain greater transparency with automated risk management processes and provides visibility to all relevant stakeholders.



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### Regular Risk Analysis Performance

**What do you need to do?** Carry out risk analyses at least once a year, and on an ad-hoc basis as needed.

**How can Aravo help?** Our solution automates the risk assessment process during onboarding and on an annual basis. You can also re-assess suppliers on an ad-hoc basis.



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### Adoption of Human Rights Policies

**What do you need to do?** Establish a policy on how you will fulfill the Act, priorities for human rights and environmental risks, and expectations for employees and suppliers.

**How can Aravo help?** Customers can post their policy on their supplier portal, and ask suppliers to attest/certify their acceptance and how they'll abide by it.

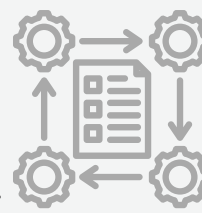


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### Establish Preventative Measures for Your Organization and Direct Suppliers

**What do you need to do?** Implement procurement and purchasing practices, deliver training, and establish control measures to verify compliance.

**How can Aravo help?** Aravo supports with dashboards and reports to verify compliance. You can also embed policy & training content, and ask for attestation from suppliers into your human rights and environmental policies.



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### Remedial Action If A Protected Legal Position Is Violated

**What do you need to do?** Take remedial actions to minimize a potential violation. If it cannot be stopped you must work to end or minimize the violation.

**How can Aravo help?** Our complete lifecycle management supports onboarding to termination. If a violation occurs, we track remediation actions to bring the supplier back into compliance.



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### Complaints Procedure for Notification of Human Rights Violations

**What do you need to do?** Establish a procedure enabling people to report violations in their own business area or that of a direct supplier.

**How can Aravo help?** Actions and remediations can be tracked and monitored in Aravo, and risk scores adjusted. Suppliers can also raise an issue in the supplier portal. Suppliers can also self-report issues in the Aravo platform.



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### Due Diligence Measures for Indirect Supplier Risks

**What do you need to do?** If supplier misconduct occurs, you must address the risks, implement preventative measures, and update your policy statement.

**How can Aravo help?** Risk mitigation strategy actions and plans are our cornerstones. Preventative measures and policy updates can be done with our platform.



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### Documentation and Reporting of Due Diligence Obligations

**What do you need to do?** You must report on the fulfillment of your due diligence obligations annually, and make them publicly available.

**How can Aravo help?** We support report creation with dashboards, reports, and metrics with risk mitigations, exposures, etc.



Learn more about meeting regulations including the German Due Diligence Law by learning more about ESG.

Find out more about ESG and its importance to you →

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