

# 10 Due Diligence Steps Your Company Can Take Now

ETHIXBASE 360

NORTON ROSE  
FULBRIGHT

STEP  
1

## Appoint a Human Rights Officer

Not only is this step important for assigning direct responsibility for staying compliant, but it is also outlined specifically in the Supply Chain Due Diligence Act (SCDDA).

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## Establish a whistleblowing mechanism with published procedures

This can be an internal procedure, and the complaints received should be considered when checking the effectiveness of your company's compliance procedures.

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## Start documenting the set-up of your Supply Chain Act risk management

One of the biggest drivers behind the SCDDA is the need for clarity and transparency from companies. This includes documentation of procedures, which companies they work with and what measures everyone involved take to remain compliant.

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## Get an overview on your subsidiaries where you have a decisive influence

Start compiling a list of your company's subsidiaries and note where your company has a decisive influence. The SCDDA assigns partial responsibility to parent companies when it comes to these entities.

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## Identify the direct suppliers for your own operations as well as those of your subsidiaries

It is an important step to investigate upstream and identify which suppliers fall under the umbrella of responsibility established by the SCDDA.

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## Consider those indirect suppliers where you have substantiated knowledge of risk

This step may be a bit more challenging than investigating your own operations and your direct suppliers, but it is no less important.

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## Appropriate technology to manage risk assessments

Companies must establish an appropriate and effective risk management system. The system itself should comply with relevant due diligence obligations and can be monitored by the Human Rights Officer. Risk assessments, however, can take a significant amount of time to manage if companies don't dedicate the right technology towards handling them.

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## Establish a policy statement

Companies need to outline and describe the procedure they have put in place for fulfilling the SCDDA and the expectations employees must meet internally.

STEP  
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## Apply preventative measures

This legislation applies responsibility to a company for its direct suppliers and this should prompt preventative measures. This can take the form of creating training procedures internally and offering these courses to suppliers.

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10

## Document levels of due diligence appropriate to the risks identified

This step may require a specialized service provider to conduct an ESG due diligence or human rights impact assessment.

The Ethixbase360 third-party risk management platform can help companies at every stage of SCDDA compliance. Contact [marketing@Ethixbase360.com](mailto:marketing@Ethixbase360.com) for a demonstration of our capabilities.

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