



Are you prepared for the new supply chain due diligence requirements?

Supply Chain Act

Since January 01, 2023, new due diligence requirements apply to prevent human rights violations in supply chains and to protect the environment. The Supply Chain Due Diligence Act, (LkSG) was already passed in June 2021. The aim of the legislation is for responsible companies to identify human rights and environmental risks in their own business operations and take measures to reduce or, where possible, prevent them in the future. This applies to companies with their head office, principal place of business, administrative headquarters, registered office or branch office in Germany, as well as to

- ▶ from 2023 with at least 3,000 employees
- ▶ from 2024, companies with as few as 1,000 employees

Already today, however, many significantly smaller companies are also confronted with the legislation, as companies directly within the scope pass on corresponding specifications in the supply chain.

Duties include:

- ▶ Adoption of a policy statement
- ▶ Implementation of risk management
- ▶ Taking preventive measures
- ▶ Establishment of an appropriate complaints procedure
- ▶ Documentation and reporting requirements

In particular, a risk analysis must be carried out regularly, but at least once a year. If necessary, appropriate corrective and preventive measures must be derived from this, prioritized and implemented. The results must be compiled in a report to the responsible control authority, the Federal Office of Economics and Export Control (BAFA).

On February 23, 2022, the European Commission also made a proposal for a directive that also aims to implement due diligence requirements for companies. The biggest difference to the German LkSG is that the group of companies that fall within the scope of the European directive will be significantly expanded.



Why tec4U-Solutions?

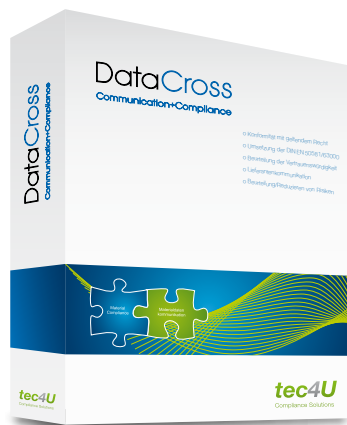
Implementation of the LkSG requires time, money, personnel and know-how. tec4U's many years of experience in the areas of material compliance and sustainable product design guarantee that you will successfully secure your supply chain supply chain obligations. We help you implement the LkSG in a legally secure manner, fulfill your obligations and reduce potential risks.

- ▶ Ensuring conformity with applicable law
- ▶ Extensive automation of the communication & evaluation process
- ▶ Minimization of entrepreneurial risks
- ▶ Socially and environmentally responsible products

How can tec4U-Solutions support you?

1. The LkSG module in DataCross

Within the established material compliance software DataCross, we offer a supply chain module that automates data procurement from suppliers to the greatest possible extent and enables risk analysis to be carried out in compliance with specifications.



The abstract risk analysis of each supplier consists of the assignment of a country and industry index for the 13 risk fields of the LkSG. From this, a cumulative index and a risk status are calculated separately for each risk field. In addition, you can evaluate all suppliers by means of a questionnaire. The results are weighted and combined with the cumulative index values to form a total congestion per risk field. The weighting of the questionnaire to the index values is done via a trustworthiness assessment of the supplier with questions on CSR, sustainability and compliance.

The result flows into the risk management process and is the basis for the concrete risk analysis, for the identification of preventive as well as remedial measures, and for ongoing documentation and reporting.

2. LkSG Consulting and Services

In addition to consulting on the implementation of the LkSG in your company in accordance with requirements, tec4U-Solutions supports you in the creation of the necessary documents and operationally with the takeover of supplier communication.

tec4U-Solutions offers the following services on the subject of supply chain management obligations:

- ▶ Process integration
- ▶ Creation of a compliance specification
- ▶ Status and risk analyses
- ▶ Data research & validation
- ▶ Interface configuration
- ▶ Trainings & Workshops

With tec4U-Solutions you receive a legally compliant as well as functionally simple and economical solution for implementing the requirements of the LkSG!

If you have any questions about the LkSG, your contact person **Stefan Nieser** will be happy to help you.

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