
MANDATORY HUMAN RIGHTS DUE DILIGENCE LEGISLATION GUIDANCE FOR SUPPLIERS OPERATING IN ASIA

Over the last several years, companies, consumers and governments have turned their attention to environmental, social and governance (“ESG”) matters. What used to be a race to the top for companies to voluntarily disclose their processes, progress and targets resulted in a variety of disclosure choices, both in style and content. Calls for accountability and consistency have led governments to increasingly consider, and in many cases pass, laws requiring companies operating within their jurisdiction to make disclosures according to specific rules. In particular, there has been an uptick in mandatory human rights due diligence (“mHRDD”) legislation. Even if a company is not subject to a particular mHRDD law, such legislation is likely to impact the company due to the cross-jurisdictional nature of supply chains. Therefore, to stay competitive and relevant to buyer markets, companies acting as suppliers and business partners should be aware of mHRDD laws and the expectations therein. This article provides an overview of certain mHRDD laws, their purpose, and recommendations for subject companies and those in their supply chains to stay in compliance and maintain business.

An Overview of mHRDD

What is mHRDD?

As explained by the United Nations’ Guiding Principles on Business and Human Rights, human rights due diligence is a way for companies to proactively manage potential and actual adverse human rights impacts with which they interact. This duty originates from the belief that business enterprises have a responsibility to respect human rights and ensure that they are not, directly or indirectly, causing harm. Historically, many countries encouraged companies to voluntarily conduct human rights due diligence, but findings suggested that most companies were not instituting sufficient processes. In response, countries began passing mHRDD laws. By introducing mHRDD laws, countries exert control over companies within their sphere of influence (e.g., domiciled or having a requisite amount of business therein), requiring them to take action to identify, prevent, mitigate, and resolve human rights abuses, and to disclose how they are discharging these requirements.

The pressure for companies to conduct human rights due diligence doesn’t only stem from national legislation. Many companies also face increasing demands for transparency and accountability from their investors, customers, financial institutions and other stakeholders. Investors do not want to fund, and customers don’t want to support, companies that are or could be linked to adverse human rights impacts. These sentiments go beyond traditional liability. Even if a company cannot be held legally responsible for adverse human rights impacts discovered in its supply chain (depending on the particular facts), the attendant publicity can have a major effect on a company’s brand image and reputation. As companies grow, stakeholders progressively lean towards holding them accountable for what goes on in their supply chain.

Additionally, there are a growing number of legislative prohibitions against the use of forced labor or human trafficking in a company's supply chain. While such legislation is not a mHRDD law since it does not expressly require due diligence, it may nevertheless be prudent for a company to perform due diligence to ensure compliance and avoid sanctions, fines or loss of business.

All of these factors are causing companies to expand their supply chain compliance programs. Companies that do not proactively assess and address human rights risks in their supply chain risk falling behind their peers, facing public scrutiny, losing business, incurring sanctions, fines and penalties for non-compliance with forced labor, human trafficking and mHRDD laws, and, increasingly, having to defend against activist shareholders focused on human rights.

How do mHRDD laws operate?

While some mHRDD laws address a broad range of human rights, other laws focus on specific areas, such as child labor. Examples of human rights and associated prohibitions that companies may be responsible for ensuring are or are not occurring in their operations and supply chain are:

- occupational health and safety;
- equal treatment in employment (*i.e.*, no discrimination);
- freedom of association¹;
- adequate living wage;
- the prohibition against forced labor and child labor;
- the prohibition against harassment;
- the prohibition against environmental damage or excessive consumption; and
- the prohibition against unlawful eviction or taking of property.

Most national mHRDD laws apply to companies from or doing business in that jurisdiction that meet certain thresholds. For example, the company needs to have nexus to the country (e.g., domiciled therein) and be of a certain size (e.g., a minimum number of employees or total sales). Depending on the law, subject companies may be required to have an internal risk management system that investigates whether there are risks related to human rights within its supply chain, regardless of the country in which the suppliers are located or their tier of the supply chain. Some companies conduct their risk assessments through supplier-completed surveys, on-site visits, or by hiring third party auditors to assess the facilities, interview workers, and/or review relevant documentation. Parallel to these processes, many companies contractually require suppliers to abide by the company's supplier code of conduct, which sets out the company's legal and ethical expectations of its suppliers. Often, companies include the right to terminate a business relationship with a supplier if the supplier is found to be in violation of the supplier code of conduct. Small and medium-sized enterprises often do not yet have the relevant corporate infrastructure or policies to ensure compliance with recently adopted mHRDD laws or supplier codes of conduct and will therefore need to plan and update as necessary.

What effects do mHRDD laws have on a company's suppliers?

While most mHRDD laws do not place legal obligations or liability on a company's suppliers, if a subject company knows or discovers that one of their suppliers has a practice that they believe violates human rights or presents an imminent risk of a violation, the company may choose to end its business relationship with that supplier. To retain a company as a customer, suppliers need to ensure they understand and comply with the customer's expectations.

With many supply chains originating in Asia, increasing regulation in the area of mHRDD will impact many businesses operating in Asia who act as suppliers to companies who must abide by these laws.

¹ Note that there can be restrictions in local law relating to the participation of migrant workers in trade unions.

What kind of liability can parent companies face for the actions of their subsidiaries?

The liability of parent companies is still a developing area of law and can depend on where the parent company is domiciled. The UK's courts have found that, in certain circumstances, a parent company may owe a duty of care to those affected by acts or omissions of a foreign subsidiary. In *Okpabi v Royal Dutch Shell*, the UK's Supreme Court allowed Nigerian citizens' environmental damage claim to proceed against a UK parent company. Similarly, in *Lungowe v Vedanta*, the court held that Vedanta could be sued in England for the actions of its Zambian subsidiary. In Canada, the Supreme Court in *Nevsun Resources Ltd v Araya* allowed a case to proceed against a private corporation for alleged acts committed by its subsidiary in Eritrea that violated certain international law. Other courts, however, have found there to be insufficient nexus for parent companies to be held liable for the acts or omissions of their foreign subsidiaries. In *Nestlé USA, Inc. v. Doe*, a U.S. case, plaintiffs sued U.S. corporations for aiding and abetting international law violations overseas, but the court found that the plaintiffs failed to allege a sufficient domestic nexus for the conduct to support liability under the U.S. Alien Tort Statute.²

Some mHRDD laws seek to address this issue by providing a right for harmed individuals to bring suit against the company that failed to comply with the law.

What is the interaction between human rights due diligence and sanctions?

While many sanctions laws do not explicitly require human rights diligence of a company's operations or suppliers, and are therefore not considered mHRDD laws, in order to meet the requirements of these laws, companies may need to diligence their suppliers.

The Different Forms of ESG Legislation

mHRDD laws are one type of corporate social responsibility ("ESG") legislation. ESG legislation focused on human rights generally fits into one of the following categories.

- **Disclosure-only:** Disclosure-only legislation requires subject companies to disclose their compliance activities relating to the subject matter of the legislation. It does not, however, require subject companies to adopt policies or procedures, trace their supply chains, source responsibly or take other remedial action – as many mHRDD laws are apt to do. The intent of disclosure-only legislation is to increase transparency, and in turn encourage a “race to the top.” Currently, corporate modern slavery laws are primarily disclosure-only laws.
- **Disclosure + Diligence:** This variant of legislation requires subject companies to conduct diligence on a particular issue and to disclose the results of those efforts. It does not, however, require companies to remediate any identified issues, instead relying on transparency to influence corporate behavior.
- **Disclosure + Diligence + Remediation:** This legislation requires subject companies to conduct diligence on a particular issue, to disclose the results of those efforts, and to take affirmative steps to address issues uncovered as part of their diligence. mHRDD legislation generally falls in this category.

¹ Recently, in *John Doe I, et. al. v. Apple Inc.* (D.C. D.C. Nov. 2, 2021), the U.S. District Court for the District of Columbia dismissed a case brought on behalf of child laborers involved in cobalt production in the Democratic Republic of the Congo, against five technology companies. The suit alleged violations of the Trafficking Victims Protection Reauthorization Act and various state-law claims. Plaintiffs have appealed to the U.S. Court of Appeals for the District of Columbia Circuit.

Select mHRDD Laws

The below table summarizes key mHRDD legislation that could affect businesses and suppliers.

| | French Corporate Duty of Vigilance Law | Norwegian Transparency Act | German Due Diligence in the Supply Chain Act | Dutch Child Labor Law | Swiss Mandatory Human Rights Due Diligence Legislation ³ |
|--|--|---|---|--|---|
| Status | In effect | Effective July 2022 | Effective January 2023 | Pending | Pending |
| Subject Companies | Any company with its registered office in France and at least 5,000 employees in French subsidiaries or 10,000 employees worldwide. | Domiciled in Norway or offering goods and services in Norway that are taxable in Norway. And covered by Section 1-5 of the Norwegian Accounting Act or meets two of the following: sales of NOK 70 million, balance sheet amount of NOK 35 million or average number of employees during the fiscal year of 50. | Head office, principal place of business, branch office, administrative seat or statutory seat in Germany, and at least 3,000 employees in Germany for 2023, or 1,000 employees or more starting with 2024. | Companies that provide goods or services to end users based in the Netherlands. | Enterprises with their registered office, central administration or principal place of business in Switzerland, that (i) import or process tin, tantalum, tungsten, or gold containing minerals or metals from high-risk areas or (ii) offer products or services giving rise to a justified suspicion that they were manufactured or provided using child labor, subject to certain exceptions set by the Federal Council. |
| Covered Business Activities | All business operations | All business operations | All business operations | Selling or providing goods or services to end-users based in the Netherlands | All business operations |
| Due Diligence Required by Company | Must establish a reasonable vigilance plan to allow for risk identification and prevention of severe violations of human rights, health and safety or environmental damage. | Must carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises. | The duty of care is based on the UN Guiding Principles on Business and Human Rights and is higher for direct suppliers. | Must investigate whether there is a reasonable suspicion of child labor in the business or supply chain. | Must carry out due diligence in respect of conflict minerals and child labor. |
| Enforcement / Penalties | A notice detailing non-compliance; injunction requiring compliance; potentially civil liability. If an individual is harmed by the subject company's non-compliance, they may seek damages for corporate negligence. | Order requiring compliance; fine on the subject entity or individuals acting on its behalf. | Submit a remediation plan; administrative fines up to €8 million or 2% of average annual sales under certain circumstances. | Fines; directors may be imprisoned for repeated violations. | Violations of the reporting and record-keeping obligations will carry a fine of up to SFr100,000, except that, in the case of negligence only (i.e., no willful misconduct), the maximum fine will be SFr50,000. |

³ Note that, subsequent to the preparation of this article, the final ordinance specifying mandatory human rights due diligence and related reporting obligations, was published

| | French Corporate Duty of Vigilance Law | Norwegian Transparency Act | German Due Diligence in the Supply Chain Act | Dutch Child Labor Law | Swiss Mandatory Human Rights Due Diligence Legislation³ |
|--|---|--|---|---|---|
| Compliance Plan | Must include procedures to identify and analyze human rights risks and regularly assess supplier risks, actions to mitigate risks and prevent violations, alert mechanisms and assessment mechanisms. | Must include accountability, mapping and risk assessment, measures to mitigate adverse impacts, tracking of measures implemented, communication with affected stakeholders and cooperation with remediation. | Must include a risk management system, risk analysis, human rights policy statement, preventative and remedial measures to address adverse impacts and a complaint mechanism. | If reasonable suspicion of child labor, must adopt and implement action plan. | Must include management systems, a risk assessment, a risk management plan and risk mitigation. |
| Reporting / Disclosure Requirements | Must make public vigilance plan and regular reports on the implementation of the plan. | Annual statement discussing the business, the process for addressing adverse impacts, adverse impacts and risks uncovered through due diligence and measures to address adverse impacts and the results of the measures. | Annual reporting that discusses risks identified, measures taken to fulfill the duty of care, how the measures taken are assessed and conclusions drawn from assessments for future measures. | Subject company generally must prepare a declaration indicating that it exercises due diligence in order to prevent the goods and services that its sells or supplies to Dutch end-users from being produced using child labor. | Annual reporting on due diligence. |

Select Sanctions and Trade-Based Legislation

Trade-based legislation prohibits the importation into a jurisdiction of goods that do not meet specified human rights requirements. In particular, such legislation may prohibit the importation of goods that contain forced labor in their supply chain. As noted above, sanctions and trade-based legislation are not considered mHRDD legislation as they do not expressly require due diligence. Nevertheless, it may be prudent for a company to perform due diligence to ensure compliance with a trade-base law to avoid sanctions, fines or loss of business. Additionally, diligence may be considered a mitigating factor if there is a violation. Therefore, in order to mitigate the risk of a violation and liability if a violation does occur, companies should conduct appropriate human rights diligence.

The below table summarizes key trade-based legislation that could benefit from due diligence and therefore affect businesses and suppliers.

| | U.S. Tariff Act | Section 321 of the U.S. Countering America's Adversaries Through Sanctions Act | Canadian Customs Tariff Act |
|------------------------------------|----------------------------------|---|------------------------------------|
| Status | In effect | In effect | In effect |
| Subject Companies | Importers of goods into the U.S. | Importers of goods into the U.S. produced using North Korean national or citizen labor. | Importers of goods into Canada. |
| Covered Business Activities | Imports into the U.S. | Imports into the U.S. | Imports into Canada. |

| | U.S. Tariff Act | Section 321 of the U.S. Countering America's Adversaries Through Sanctions Act | Canadian Customs Tariff Act |
|--|--|--|---|
| Prohibited Activities | Importing goods produced using prison or forced labor. | Importing goods produced using North Korean labor, whether in North Korea or abroad. | Importing goods produced using prison or forced labor. |
| Due Diligence Required by Company | No specific requirements, but taken into account as a mitigating factor if there is a violation. | No specific requirements, but taken into account as a mitigating factor if there is a violation. | No specific requirements, but guidance notes that it is the responsibility of the importer to conduct due diligence on its supply chains to ensure that goods it imports into Canada are not produced using prison or forced labor. |
| Enforcement / Penalties | Enforcement may include an investigation, seizure of imported goods, and fines. | The U.S. Customs and Border Patrol and U.S. Immigration and Customs Enforcement may bring both civil and criminal enforcement actions. Enforcement may include an investigation and seizure/forfeit of imported goods. | Enforcement may include an investigation, exportation or abandonment of imported goods, and fines. |
| Compliance Plan | No specific requirements, but taken into account as a mitigating factor if there is a violation. | No specific requirements, but taken into account as a mitigating factor if there is a violation. | No specific requirements. |

Select Modern Slavery Legislation

While modern slavery laws are primarily disclosure-only laws, and therefore not mHRDD legislation, these laws require a company to disclose aspects of their human rights due diligence.

The below table summarizes key disclosure-only modern slavery legislation that could affect businesses and suppliers.

| | Australia Commonwealth Modern Slavery Act | United Kingdom Modern Slavery Act | California Transparency in Supply Chains Act |
|--------------------------|--|---|--|
| Status | In effect | In effect | In effect |
| Subject Companies | An entity that (i) at any time in the reporting period is either an Australian entity or carries on business in Australia, and (ii) has annual consolidated worldwide revenue of more than A\$100 million. | Any "commercial organisation" that supplies goods or services and has a total annual consolidated turnover of at least £36 million. | A company is subject to the Act if it (i) identifies as a retail seller or manufacturer in its California state tax returns; (ii) actively engages in any transaction for the purpose of financial or pecuniary gain in California, and (iii) has annual consolidated worldwide gross receipts in excess of US\$100 million. |

| | Australia Commonwealth Modern Slavery Act | United Kingdom Modern Slavery Act | California Transparency in Supply Chains Act |
|--|---|--|---|
| Covered Business Activities | The subject entity's operations and supply chains. | Any of the subject entity's supply chains, and any part of its own business. | Direct supply chain for tangible goods offered for sale. |
| Reporting / Disclosure Requirements | <p>A Modern Slavery Statement must include the following:</p> <ul style="list-style-type: none"> ■ the entity's structure, operations and supply chains; ■ the potential modern slavery risks in the entity's operations and supply chains; ■ actions the entity has taken to assess and address those risks, including due diligence and remediation processes; and ■ how the entity assesses the effectiveness of those actions. <p>The statement also must describe the process of consultation with:</p> <ul style="list-style-type: none"> ■ any entities that the reporting entity owns or controls; and ■ in the case of a joint modern slavery statement, with the other entities giving the statement. | <p>The Act requires a subject company to discuss in its statement the steps it has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of its own business.</p> <p>While the Act does not provide for mandatory disclosures, there are six encouraged disclosure topics:</p> <ul style="list-style-type: none"> ■ The structure of the commercial organisation, its business model and its supply chain relationships. ■ Policies relating to slavery and human trafficking. ■ Due diligence and auditing processes in relation to slavery and human trafficking in the subject entity's business and supply chains. ■ The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk. ■ Its effectiveness in ensuring that slavery and human trafficking are not taking place in its business or supply chains, measured against such key performance indicators as it considers appropriate. ■ Slavery and human trafficking training available to its staff. | <p>The statement must indicate to what extent the subject company:</p> <ul style="list-style-type: none"> ■ Engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The statement must specify if the verification was not conducted by a third party. ■ Conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The statement must specify if the verification was not an independent, unannounced audit. ■ Requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business. ■ Maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking. ■ Provides company employees and management who have direct responsibility for supply chain management with training on human trafficking and slavery, particularly with respect to mitigating risks within product supply chains. |
| Statement Frequency | Annual | Annual | None specified |
| Due Date/ Publication of Statement | To be submitted to the Modern Slavery Statements Register within six months of fiscal year end. | No due date; expected to be published on the subject company website within six months of fiscal year end. | None specified; publication on the subject company required. |

Recent Developments Related to Human Rights Due Diligence

The landscape of ESG legislation is constantly evolving. Below are a few key developments that may lead to future human rights due diligence obligations.

The European Union's mHRDD Directive

The European Commission has announced that it will be proposing a mHRDD directive. Under the EU's tripartite legislative process, the Council, Commission and Parliament must agree on the legislation that is ultimately adopted. In March 2021, the European Parliament adopted a resolution approving the text of a mHRDD directive, reflecting the Parliament's view on what EU-wide mHRDD should look like. That directive is not binding on the European Commission but is intended to inform the Commission's proposed legislation.

The Parliament directive would apply to large enterprises governed by the law of a European Union Member State or established in the territory of the European Union, all publicly listed companies, high-risk small and medium-sized companies, and certain other companies. Covered entities would be required to identify and assess whether their operations and business relationships cause, contribute to or are directly linked to potential or actual adverse human rights, environmental or governance impacts. Unless a covered entity determined that it does not cause or contribute to or is not directly linked to potential or actual adverse impacts, it would be required to establish and implement a due diligence strategy and evaluate its effectiveness annually. Among other things, the covered entity would be required to map and disclose information related to its value chain and adopt policies and measures designed to cease, prevent or mitigate potential or actual adverse impacts on human rights, the environment or good governance. If a covered entity caused or contributed to an adverse impact, it would be required to cooperate in the remediation process.

The United Nations' Business and Human Rights Treaty

In 2014, the United Nations Human Rights Council created an open-ended intergovernmental working group with the mandate to draft an international, legally binding instrument to regulate the activities of transnational corporations and other business enterprises with respect to human rights. The working group holds annual sessions to further the working draft of a proposal for a legally binding document, most recently meeting in October 2021.

The most recent draft of the proposed instrument was published on August 17, 2021 (the "Working Draft"). The Working Draft would require signatory states to take legal and policy measures to ensure that business enterprises within their jurisdiction or control respect internationally recognized human rights and prevent and mitigate abuses. Under the Working Draft, states must require business enterprises to conduct human rights due diligence proportionate to their size, risk of human rights abuse or the nature of their business activities and relationships. Such diligence includes identifying and publishing any actual or potential human rights abuses arising from their business activities or their business relationships, taking measures to avoid and mitigate the identified abuses, monitoring the effectiveness of such measures, and communicating regularly to stakeholders, particularly those who may be or are affected. The Working Draft also indicates that such mHRDD measures must include integrating a gender perspective, consulting with stakeholders (with an emphasis on those facing heightened risk of abuse), and integrating such mHRDD requirements into contracts regarding business relationships.

The Working Draft also provides that states must ensure a safe and enabling environment for those who would defend human rights so they may exercise their human rights free from any threat of intimidation. States would have to provide access to adequate remedy and justice, and address specific obstacles that women and vulnerable and marginalized people and groups face in accessing such remedies. Finally, the Working Draft instructs states to provide a framework of legal liability, under which, conducting human rights due diligence would not automatically serve as a defense against liability.

The treaty is still in draft form. It therefore is not yet binding in any states. However, the treaty process underscores the growing momentum behind mHRDD.

Developments in the Asia-Pacific Region

Asian countries are also taking initial steps toward possible mHRDD legislation. During the summer of 2021, the Japanese government began a large-scale investigation to understand human rights issues in the supply chains of Japanese companies, including their indirect suppliers. The investigation is expected to cover about 3,000 companies, most of which are listed on the Tokyo Stock Exchange. Based on the findings, the government will discuss whether rules or legislation requiring companies to address relevant human rights risks are necessary. To date, findings have not been made available publicly.

During August 2021, the Australian Senate agreed to a bill that would amend the Customs Act to prohibit importing into Australia goods that are produced using forced labor. The Bill is now before the Australian House of Representatives. As drafted, this prohibition would be analogous to that in the U.S. Tariff Act and the Canadian Customs Tariff.

In addition, some Asia-Pacific securities exchanges have proposed or adopted ESG disclosure requirements, which are broad enough to require human rights-related disclosures in certain circumstances. Certain Asia-Pacific securities exchanges also offer guidelines on voluntary disclosure of ESG-related information.

Compliance Recommendations

In light of current, pending and proposed corporate human rights legislation, including mHRDD legislation, companies should consider the following compliance measures.

Compliance Recommendations for All Companies

- Evaluate the sufficiency of current supply chain diligence measures, both at onboarding and on an ongoing basis. To facilitate more thoughtful and productive remediation planning, consider expanding human rights due diligence of suppliers beyond solely identifying failings and seek to understand the gaps in the systems that led to the problems.
- If your company is in the process of establishing its supply chain diligence measures, establish a risk-based system to prioritize which suppliers, based on location, type of work and products/services provided, pose the highest level of risk as it relates to human rights. Prioritize human rights due diligence of these suppliers.
- Develop a prevention system and/or grievance mechanism that is accessible to your and your suppliers' employees. Ensure the contact information for the grievance mechanism is publicly available and in local languages. Use the information gathered from such processes to create remediation plans to fix adverse impacts or proactively address any risks.
- Develop and/or review your company's remediation plan for suppliers. For guidance, refer to the International Organization for Migration's Remediation Guidelines for Victims of Exploitation in Extended Mineral Supply Chains, which includes guidelines and best practices to help downstream businesses remediate adverse human rights impacts when they occur. When risks or violations can be remedied, remediation programs prevent companies from having to seek out new suppliers and also may protect the employees at the affected supplier, both in regards to their livelihood and the overall health and safety environment at the supplier.

- Review and, if necessary, update your supplier code of conduct or equivalent instruments. Ensure a system is in place to regularly review and, if necessary, further update the supplier code of conduct.
- Establish a system to evaluate the efficiency and outcomes of your supply chain diligence measures (e.g., annual audits to confirm consistency, review of data from grievance mechanisms and worker interviews).
- Understand which mHRDD laws apply, if any, to your company.
- Consider developing and monitoring key performance indicators (“KPIs”) to evaluate your company’s compliance with mHRDD laws and any diligence and remediation plans put in place. Consider incentivizing management to improve KPI performance.
- Communicate human rights expectations and requirements to suppliers, as applicable, including any procedures they are expected to comply with (e.g., training, audits or maintaining employee records for a certain number of years). Ensure that suppliers understand the possible consequences of non-compliance, such as contract termination or monetary liability. Also inform suppliers of any resources available to help them with compliance or remediation of risks. Many small- and medium-sized enterprises, depending on where they are located, may have different standards for compliance. Without effective communication, companies leave room for potential misalignment and liability.
- For consistency, consider adopting the highest diligence standard your company is subject to and maintaining it across all jurisdictions.

Additional Compliance Recommendations for Companies Serving as Suppliers

- Develop a prevention system and/or grievance mechanism to capture early risks of non-compliance. Use the information gathered from such processes to create remediation plans to fix or proactively address such risks.
- Know your customers’ expectations and requirements related to mHRDD. Understand the consequences of non-compliance.
- Take advantage of the numerous resources available to assist in effectively managing human rights risks.
- Understand which mHRDD laws apply, if any, to your customers and what effects that will have on your operations.

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