

#### T. MARKUS FUNK | PARTNER

FIRMWIDE CHAIR, WHITE COLLAR DEFENSE & COMPLIANCE

Founding Co-Chair, Perkins Coie Supply Chain Compliance and Corporate Social Responsibility Practice Founding Co-Chair, ABA Global Anti-Corruption Committee

MFunk@perkinscoie.com







## UK Modern Slavery Act of 2015: Transparency in Supply Chain Disclosures (Part 6)

#### Penalties for Non-Performance Jurisdiction: Qualify as a "Commercial Organization"? • High Court injunction (civil action brought by Secretary 1) Supplier of goods and/or services? 2) Corporation or partnership (wherever incorporated or **Act Does Not Apply** • (In Scotland only) Action for specific performances of a formed) carrying on "a business, or part of a business," in statutory duty under § 45 of the Court of Session Act of any part of the U.K.? 1988 3) Total annual global turnover exceeding £36 million? · Class action lawsuits • Consumer advocacy/NGO actions YES **Annual Statement on Steps Taken to Ensure** "Clean" Supply Chain (and Business) Slavery and Human Trafficking Defined **IF COMPANY** Statement setting out steps company took during the **TOOK NO STEPS** • Subjected to force, threats or deception in order to past financial year induce others to: - Provide services: - Provide another with benefits of any kind; or - Enable another to acquire benefits of any kind Issue Statement That Victim consent not outcome-determinative Statement detailing steps taken during the past Organization "Has financial year to ensure slavery and human trafficking Taken No Such Steps" are not taking place in (1) any of company's supply chains and (2) any part of its business Slavery and Human Trafficking Statement "May Include Information Concerning": • Company's structure/business/supply chains Slavery and Human Trafficking Statement Must Be Publication of Statement Anti-trafficking/slavery policies Approved by: If company has a website: • Anti-trafficking/slavery due diligence processes • Corporation - Board of Directors (signed by a Director) • Links to full statement must appear in "prominent Identification assessment and management of risk place" on website's homepage • Limited Liability Partnership - Members (signed by areas in business/supply chains designated Member) If no website: • Effectiveness of efforts based on performance • Limited Partnership registered under U.K. Limited Provide copy of statement within 30 days of receiving measures company considers appropriate Partnership Act 1907 (signed by General partner) written request • Anti-trafficking/slavery training available to staff • Any other kind of Partnership (signed by a Partner)



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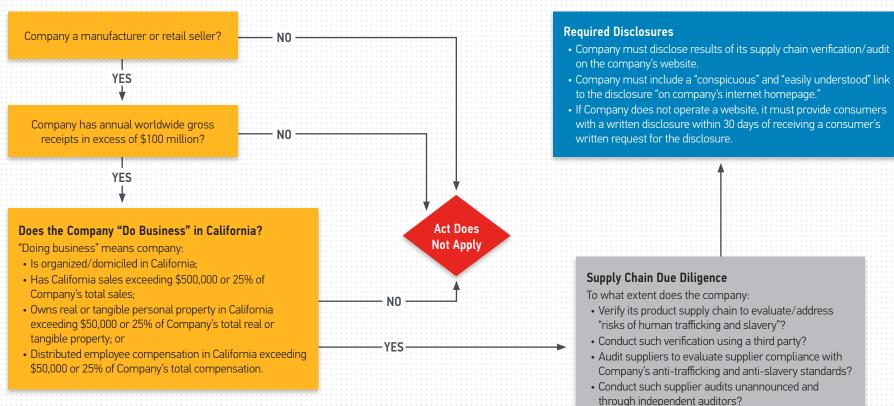
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# Breaking Down the California Transparency in Supply Chains Act (Effective January 1, 2012)



### Background

- Purpose of Act is to help consumers to "distinguish companies or the merits of their efforts to supply products free from threat of slavery or trafficking."
- Exclusive remedy for violating Act is Attorney General action (but potential class actions under California statutes also likely).
- California's Franchise Tax Board provides annual list of retail sellers and manufacturers required to comply with the Act.

- Verify its product supply chain to evaluate/address
- Audit suppliers to evaluate supplier compliance with Company's anti-trafficking and anti-slavery standards?
- Require direct suppliers to certify that materials incorporated into company's products comply with the slavery and human trafficking laws of the country or countries in which they do business?
- · Maintain internal "accountability standards and procedures" for employees or contractors who fail to meet company standards?
- Provide company employees and management having direct responsibility over the supply chain with training on human trafficking and slavery, paying particular attention to mitigating supply chain risks?