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MODERN SLAVERY: TRANSPARENCY IN SUPPLY CHAINS

11 October 2017

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	UK MSA 2015 (guidance updated Oct 2017)	AG Consultation Paper – August 2017	JSCFADT interim report – August 2017
Scope of "modern slavery"	Slavery, servitude, forced or compulsory labour, human trafficking (travel of victim arranged/facilitated with a view to exploitation).	Slavery, servitude, forced labour, debt bondage and deceptive recruiting for labour in services. Forced marriage excluded.	Broad scope including forced labour, child labour, bonded labour, human trafficking, domestic servitude, orphanage trafficking, sex trafficking, forced marriage, slavery and other slavery-like practices.
Reporting Requirement	Prepare and publish a slavery and human trafficking statement.	Prepare and publish a modern slavery statement	Supply chain reporting – similar to but improving on UK
Who must comply?	"Commercial organisations" Bodies corporate and partnerships which <u>carry on a business, or part of a business</u> , in the UK, if they supply goods or services and meet the turnover threshold. Voluntary reporting encouraged by smaller organisations.	Entities <u>headquartered in Australia</u> or that <u>have any part of their operation in Australia</u> , and meet the revenue threshold. A 'range of entity types' including bodies corporate, unincorporated associations or bodies of persons, superannuation funds and approved deposit funds. "Opt-in" allowed.	Companies, businesses, organisations (including religious organisations) operating in Australia. "Opt-in" supported.
Threshold?	£36 million total turnover	\$100 million annual revenues	Yes – level under consideration
Which business sectors?	All	All	Not specified, implicitly all.
Extraterritorial	Yes, applies to bodies corporate / partnerships <u>wherever incorporated / formed</u> that satisfy criteria	Not specified.	Yes.
What must the statement / report cover?	<u>Steps taken</u> by the organisation during the relevant financial year to ensure that slavery and human trafficking is not taking place <u>in any part of the organisation's own business or in any of its supply chains</u> OR statement that <u>no steps</u> have been taken. Amendment proposed: to require a statement of reasons if no steps are taken.	Actions to address modern slavery in both the entity's operations and its supply chains.	See "Content of Statement", below.

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How are "business", "operations" and "supply chains" defined?	"Carrying on a business" – apply a "common sense" approach. "Supply chain" has its 'everyday' meaning. Beyond first tier.	Detailed guidance will be provided on definitions of "operations" and "supply chains". "Supply chains" will extend beyond first tier suppliers.	
Frequency and timing of reporting	Every financial year of the organisation in which turnover threshold exceeded. Publication as soon as possible after the financial year end: at most, within 6 months. Historic statements should be kept online.	Annually, within 5 months after end of Australian financial year.	Annual
Content of Statement	No prescribed content. A list of optional areas is provided. These are: a) the organisation's structure, its business and its supply chains; b) its policies in relation to slavery and human trafficking; c) its due diligence processes in relation to slavery and human trafficking in its business and supply chains; d) 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; e) its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate; f) the training about slavery and human trafficking available to its staff. Organisations "should aim" to include information on these. The organisation should paint a detailed picture of <u>all</u> the steps it has taken to address and remedy modern slavery and the effectiveness of those steps. Amendment proposed: To require information on the above matters (with the option to include information on other matters).	Entities required to report against 4 criteria: 1. The entity's structure, operations and supply chains. 2. The modern slavery risks present in the entity's operations and supply chains. 3. The entity's policies and processes to address modern slavery in its operations and supply chains and their effectiveness (such as codes of conducts, supplier contract terms and training for staff). 4. The entity's due diligence processes relating to modern slavery in its operations and supply chains and their effectiveness. Other information may be included on the entity's web pages.	Outline at minimum what should be included. Consider prescriptive requirements.

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Publication	On organisation's website, and include a link to the statement in a prominent place on homepage (If no website – provide copy on request).	On entity's web pages.	Under consideration – website and/or annual report.
Central repository of modern slavery statements	None.	Yes – free and publicly accessible, searchable. Will include all statements published "in compliance with" the reporting requirement. Run by Australian government or a third party.	Legislated and government-funded central repository.
Statutory / government guidance	Yes. "Transparency in Supply chains etc. A practical guide." Guidance on Act's requirements, government expectations and policy objectives, and best practice. Case studies. Information of the type of activity that could be covered by statement including risk assessment and due diligence. Sources of useful information, guidance and resources.	Comprehensive government guidance and awareness – raising materials for the business community. Aim – to help build the business community's capacity to respond to modern slavery. Will include detailed guidance about the nature and extent of information that should be included in statements. Will include a reporting template, best-practice examples and information about how the business community can remedy and report instances of modern slavery identified in their supply chains or operations. Guidance will be available prior to reporting requirement taking effect.	Yes – should be consistent with international best practice. Lists of at-risk industries, at-risk areas, at-risk groups.
Do public authorities have to report?	"Commercial organisations" fulfilling a public function do. Amendment proposed: to include public authorities.	No.	Yes, governments operating in Australia.
Approval / signature	Approval by board of directors (or equivalent), signed by director (or equivalent)	Approval at equivalent of board level, signed by a director.	Board (or equivalent) approval.

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Enforcement / penalties	Secretary of State may bring civil proceedings for an injunction if non-compliance.	No punitive penalties for non-compliance.	Penalties for those that do not report or do not report in compliance with requirements. No penalties for entities that look for and find modern slavery in supply chains and are acting to address issues. Publication of lists of: <ol style="list-style-type: none"> 1. entities that do not comply; 2. entities that are in compliance; and 3. entities that opt-in.
List of organisations / entities required to publish statement	No. <i>Amendment proposed: yes, publication of list by Secretary of State in a place and format easily accessible, and categorised according to sector.</i>	No.	Yes – list of companies, organisations, businesses and governments to which requirements apply.
Public procurement	No. <i>Amendment proposed: organisations to be excluded from participation in procurement procedure where no modern slavery statement prepared, and one was required.</i>	No.	Australian government procurement requirement, only to engage with entities that have published a Modern Slavery Statement.
Periodic review		After three years, involving further public consultation.	
Oversight	No formal mechanism. Independent Anti-Slavery Commissioner has established private sector engagement as a priority, to promote policies to ensure that supply chains are free from slavery and to encourage effective transparency reporting.	Possible independent oversight. Might maintain the central repository of statements, raise awareness about modern slavery risks, provide a point of contact for businesses seeking advice and assistance.	Independent Anti-Slavery Commissions. Consider, advise, report on and make recommendations on modern slavery supply chain reporting.

Key:
Green text: based on UKMSA guidance
Red text: based on Modern Slavery (Transparency in Supply Chains) Bill - HL Bill 57/1

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