



HUMAN TRAFFICKING & SLAVERY LEGISLATION

SCOPING GUIDE

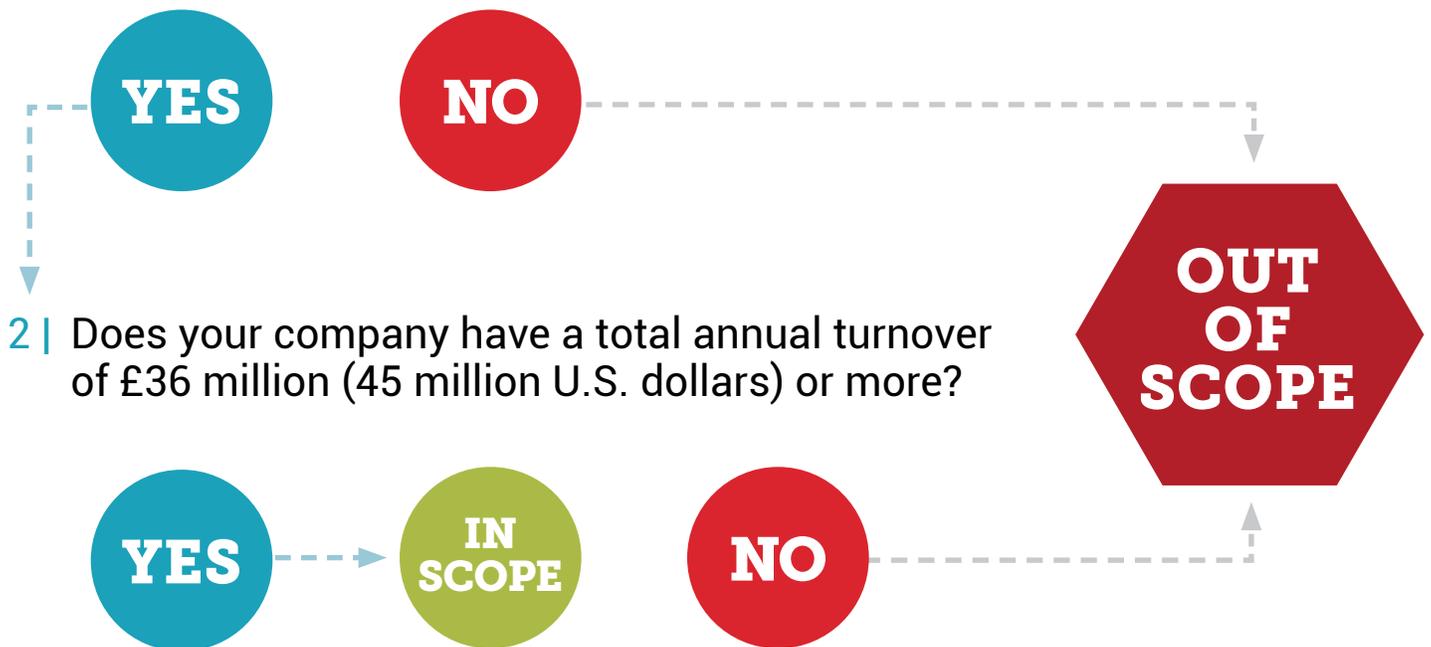
SCOPING GUIDE: HUMAN TRAFFICKING & SLAVERY LEGISLATION

This guide will help you determine whether your company is in scope of human trafficking and slavery legislation¹ as it pertains to the supply chain, including the:

- UK Modern Slavery Act (Section 54)
- U.S. Federal Acquisition Regulation Final Rule on Combating Trafficking in Persons (52.222-50)
- Countering America's Adversaries Through Sanctions Act
- U.S. Trade Facilitation and Enforcement Act
- Australia Modern Slavery Act
- EU Non-Financial Disclosure Directive
- French Duty of Care of Parent Companies and Ordering Companies (Law No. 2017-399)
- California Transparency in Supply Chains Act (Section 1714.43)

THE UK MODERN SLAVERY ACT

1 | Does your organization carry out business in the UK?



WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

Your company is required to produce a slavery and human trafficking statement each financial year and display this conspicuously on its website. Depending on the nature of the company, the statement may need to be signed by executive staff prior to publishing.

¹ This guide offers a high-level perspective of which companies are in scope of various legislation and, as such, does not include exceptions and detailed interpretations. For this information, readers should consult their legal counsel.

THE U.S. FEDERAL ACQUISITION REGULATION (FAR)

1 | Do you have a U.S. federal contract or subcontract?

YES

NO

OUT OF SCOPE

WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

Your company is responsible for any violations occurring within your supply chain. This means you should have a strong due diligence program in place to assess and mitigate risks, and to make sure none of the activities prohibited by the rule are occurring within your supply chain.

2 | Does your company have a federal contract or subcontract for supplies, other than commercial off-the-shelf items², to be acquired outside of the U.S., and which have an estimated value exceeding \$500,000?

YES

IN SCOPE

NO

In scope of FAR subpart 22.17 but not in scope of the FAR compliance plan and annual certification requirements

WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

You must ensure your company, and its subcontractors that are also in scope of this requirement, maintain a compliance plan during the performance of the contract and submit annual certifications regarding implementation of the compliance plan and due diligence.

For more information on the FAR, download our eBook:

Human Trafficking, Slavery & Your Supply Chain

² In the United States, commercial off-the-shelf (COTS) is a FAR term for commercial items, including services, available in the commercial marketplace that can be bought and used under government contract.

COUNTERING AMERICA'S ADVERSARIES THROUGH SANCTIONS ACT

1 | Does your company import goods, wares, merchandise and articles into the United States?



WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

Your company should perform due diligence in your supply chain to ensure your goods aren't being made, in whole or in part, with North Korean forced labor. In the event that U.S. customs detains your merchandise, you must either re-export your products, pay substantial tariffs or submit documentation showing that the goods are not associated with North Korean labor. This excludes initiation of criminal investigations resulting in civil penalties, seizure and forfeiture of goods and proceeds from the transaction.

THE U.S. TRADE FACILITATION & TRADE ENFORCEMENT ACT

1 | Does your company import goods into the U.S.?



WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

Your company should exercise due diligence over your supply chain to reduce the risk of your goods being made with forced labor. In the event that U.S. customs detains your merchandise, you must either re-export your products or submit information demonstrating that your merchandise was not made with forced labor within 90 days. This excludes initiation of criminal investigations resulting in civil penalties, and seizure and forfeiture of goods and proceeds from the transaction.

THE AUSTRALIA MODERN SLAVERY ACT

1 | Does your company carry out business in Australia?

YES

NO

2 | Does your organization have an annual revenue of at least 100 million Australian dollars (73 million U.S. dollars)?

YES

IN SCOPE

NO

WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

Your company is required to submit an annual Modern Slavery Statement. Your statement must cover the bill's mandatory reporting topics, which include actions taken to assess and address modern slavery risks in your supply chain.

OUT OF SCOPE

THE EU NON-FINANCIAL REPORTING DIRECTIVE

1 | Does your company carry out business in the EU?

YES

NO

2 | Is your company a public interest entity with over 500 employees?

YES

IN SCOPE

NO

WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

Your company must produce an annual statement containing information related to respect for human rights, including the due diligence processes you have implemented throughout your supply and subcontracting chains.

OUT OF SCOPE

THE FRENCH DUTY OF CARE OF PARENT COMPANIES & ORDERING COMPANIES

1 | Is your company headquartered in France?



2 | Does your company employ at least 5,000 employees in France through French direct or indirect subsidiaries?



3 | Does your company employ at least 10,000 employees through French and foreign direct or indirect subsidiaries?



WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

Your company must create, publish and implement a 'vigilance' or due diligence plan that covers your suppliers and subcontractors. This plan must include due diligence measures to identify and mitigate risk of forced labor and other adverse impacts.



THE CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

1 | Does your company do business in California?

YES

NO

2 | Does your company have annual worldwide gross receipts exceeding \$100 million USD?

YES

NO

3 | Is your company identified as a manufacturer or retail seller on its California state tax return?

YES

NO

OUT
OF
SCOPE

IN
SCOPE

WHAT DOES THIS MEAN FOR YOUR ORGANIZATION?

Your company is required to conspicuously disclose on your website its efforts to eradicate slavery and human trafficking from the supply chain.

For more information on the California Transparency in Supply Chains Act and your disclosure requirements, download our eBook:

Human Trafficking, Slavery & Your Supply Chain

OUT OF SCOPE? NOT QUITE

Even if your company is out of scope of the legislation outlined in this guide, there is still a strong business case for your company to perform human trafficking and slavery-related due diligence in your supply chain.

Human trafficking and slavery due diligence is becoming a cost of doing business. You could have mandatory annual sustainability reporting requirements to satisfy in order to list your company on global stock exchanges, such as the London Stock Exchange. Your clients may also require you to conduct human trafficking and slavery due diligence in order to do business with them.

Failing to evaluate your supply chain introduces you to an array of financial risks that may result in the following:

- Supply chain disruption if a supplier is accused of human rights violations.
- Reputational damage if you or one of your suppliers receives negative media coverage as a result of forced labor in your supply chain.
- Loss of contract or investment for failing to meet customer or investor expectations.
- Loss of competitive advantage when other companies that perform human rights due diligence become more attractive to customers and investors.

A comprehensive human trafficking and slavery due diligence program is recommended for any company manufacturing, selling, importing or exporting goods.

To learn more about regulatory compliance and best practice due diligence steps for mitigating risks of human trafficking and slavery in your supply chain, visit assentuniversity.com and download the 'Human Trafficking, Slavery & Your Supply Chain' eBook. For more information on how Assent Compliance can make due diligence simple and cost-effective, visit our website at assentcompliance.com or contact us at info@assentcompliance.com.



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