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Table 1: Variation in Home State Legislation to Steer CSR for Labour Standards

	Transparency legislation	‘Comply or explain’ style reporting	Due diligence reporting	Due diligence liabilities
Example of such a law	UK Modern Slavery Act 2015, section 54	EU Directive on nonfinancial information disclosure of 2014 (*to be implemented by 6 December 2016*)	US Dodd-Frank Act 2010, section 1502	UK Bribery Act 2011, section 7 (Note: this Act was suggested as a model for the UK Modern Slavery Act)
Companies covered	Every organisation which carries on a business, or is part of a business, in any part of the United Kingdom with a total annual turnover of £36m or more	Large public-interest entities such as listed companies with more than 500 employees	Listed US companies as well as foreign companies listed at the US stock exchange which use conflict minerals	Companies incorporated in the UK as well as companies which carry on a business, or are part of a business, in any part of the United Kingdom
Duties imposed	<p>A slavery and human trafficking statement for each financial year</p> <p>The statement must describe the organisation’s steps to ensure that slavery and human trafficking does not take place in any of its supply chains and its own business or that the organisation has taken no such steps</p> <p>A company ‘may include information about issues such as its due diligence processes</p>	<p>Companies must publish a non-financial statement about, inter alia, respect for human rights, including a description of policies such as due diligence</p> <p>Where the company does not pursue policies in relation to an issue, it must provide a clear and reasoned explanation for not doing so (‘comply or explain’ approach)</p>	<p>Companies have to disclose if they use conflict minerals that originated in the Democratic Republic of the Congo or an adjoining country for their products if the minerals are ‘necessary to the functionality or production’</p> <p>Companies must exercise due diligence on the source and chain of custody of their conflict minerals</p>	<p>A company is guilty of an offence of bribery if a person associated with it bribes another person intending to obtain or retain business for the company, or to obtain or retain an advantage in the conduct of business for C</p> <p>Companies have a defence to this offence if they have ‘adequate procedures’ in places such as due diligence mechanisms</p>
Sanctions for noncompliance / enforcement mechanisms	<p>There is no liability if the company issues a statement that it has taken ‘no such steps’ – it has then complied with its statutory reporting duty</p> <p>The duty to issue a statement is enforceable by the Secretary of State through an injunction issued by the High Court</p>	The Directive lacks detail as to any penalty for non-compliance	<p>Companies are subject to liability for fraudulent or false reporting on conflict minerals</p> <p>Anyone who is sued is not liable if they can prove that they acted in good faith and had no knowledge that such statement was false or misleading</p>	<p>Companies commit a criminal offence if they contravene section 7 of the UK Bribery Act</p> <p>The decision whether to prosecute an offence under the Act is a matter for the prosecuting authorities</p>
Reach	At least in theory, this duty captures the whole supply chain	Companies covered by this reporting duty have to report about risks in their	This reporting duty reaches into the supply chain as it is about the point	An offence is committed irrespective of whether the acts or omissions take

		supply chain such as human rights risks	where the minerals are sourced	place in the United Kingdom or elsewhere (extraterritorial liability) The government's guidance, inter alia, refers to the example of direct suppliers as associated persons whose actions can lead to the offence
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Table 2: Key characteristics of the UK Bribery and Modern Slavery Acts

Characteristic features	Bribery Act (sec 7)	Modern Slavery Act (s 54)
Companies covered	Companies incorporated in the UK as well as companies which carry on a business, or are part of a business, in any part of the UK	Every organisation which carries on a business, or is part of a business, in any part of the UK with a total annual turnover of £36m or more
Duties imposed	A company is guilty of an offence if a person associated with it bribes another person intending to obtain or retain business for the company, or to obtain or retain an advantage in the conduct of business for C	<p>Companies are required to prepare a slavery and human trafficking statement for each financial year</p> <p>The statement must describe any steps which the organization has taken during the financial year to ensure that slavery and human trafficking does not take place in any of its supply chain and in any part of its own business</p> <p>The statement ‘may include information about’ issues such as policies in relation to slavery and human trafficking (not compulsory to report on these)</p> <p>Companies with a website must publish the statement on that website</p> <p>In the case of a corporation, the statement must be approved by the board of directors and signed by a director.</p>
Sanctions for noncompliance / enforcement mechanisms	<p>Companies commit a criminal offence if they contravene section 7 of the UK Bribery Act</p> <p>The decision whether to prosecute an offence under the Act is a matter for the prosecuting authorities</p>	<p>There is no liability if the company issues a statement that it has taken ‘no such steps’ – it has then complied with its statutory reporting duty</p> <p>The duty to issue a statement is enforceable by the Secretary of State through an injunction issued by the High Court</p>
Jurisdictional scope	An offence is committed irrespective of whether the acts or omissions which form part of the offence take place in the United Kingdom or elsewhere (extraterritorial liability)	The reporting duty applies to companies above the threshold that carry on a business, or part of a business, in any part of the United Kingdom
Reach	Companies are liable for the conduct of an ‘associated person’, i.e. a person who performs services for or on behalf of the company – this can be an agent	At least in theory, this duty captures the whole supply chain

	or a direct supplier	
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Table 3: Distribution of Companies Studied by Sector

Primary	Secondary	Tertiary
Mining Anglo American BHP Billiton Rangold Rio Tinto	Retail and consumer goods Diaego Imperial Brands Marks & Spencer Next Reckitt Benckiser Unilever Tesco	Hotels and airlines Easyjet Intercontinental Hotels International Airlines Group
Energy BP Royal Dutch Shell	Defence and automobiles BAE Systems Rolls Royce	Outsourcing and communications Bunzl British Telecom Group Vodafone
Agriculture British American Tobacco	Pharmaceuticals Astra Zeneca GlaxoSmithKline	Financial services Royal Bank of Scotland Group

Table 4: A Comparison of Bribery and Forced Labour-related CSR Policies

Key Trends in 25 FTSE100 Companies	Bribery	Forced Labour
<p>Wording</p> <p>25 out of 25 companies (=100 %) use stricter language in relation to bribery compared to forced labour</p>	<p>Companies use strict language in relation to bribery and usually link it with ‘anti’ and ‘zero tolerance’</p> <p>Companies stress that they ‘comply with’ bribery laws</p>	<p>Companies use more aspirational language with forced labour, e.g. ‘we will work to’</p> <p>Several companies mention that they ‘seek to conduct business in a manner that respects human rights’</p>
<p>Quality of reporting</p> <p>20 out of 25 companies (= 80%) have more extensive reporting about bribery in their company CSR/Sustainability report</p>	<p>Companies often include a separate section about bribery in their CSR/sustainability report</p>	<p>The companies report about forced labour in a less prominent way. It is usually only one issue among others, often in section entitled ‘human rights’.</p>
<p>Quantity of reporting</p> <p>20 out of 25 companies (= 80%) use the word ‘bribery’ much more frequently than ‘forced labour’ in their company CSR/Sustainability report</p>	<p>Bribery is addressed much more frequently in the various documents than forced labour</p>	<p>Forced labour is usually covered much less than bribery in the CSR/Sustainability report.</p>
<p>Policies on bribery and forced labour</p> <p>25 out of 25 companies (=100%) publish a bribery policy or mention bribery due diligence and/or risk assessment or anti-bribery policies on their website and do not have (publish) comparably stringent or detailed policies for forced labour</p>	<p>Companies publish or mention their strong and often detailed anti-bribery policies</p> <p>These policies appear to constitute due diligence practices</p> <p>Bribery is sometimes referred to as a ‘governance issue’</p>	<p>There is sporadic reference to specific policies for forced labour</p> <p>Rather, companies often mention that they expect third parties to meet the labour standards of the International Labour Organisation (ILO)</p>
<p>Code of conduct</p> <p>23 out of 25 (=92%) of companies have stricter requirements on bribery than forced labour in their code of conduct or other supplier-related documents</p>	<p>Several terms and conditions of purchase and the codes of conduct demonstrate a clear prioritisation given to bribery</p> <p>The language is strict, clearly prohibiting bribery amongst suppliers</p>	<p>The wording for forced labour used in the codes of conduct is more aspirational such as ‘we do not support forced labour’</p>

