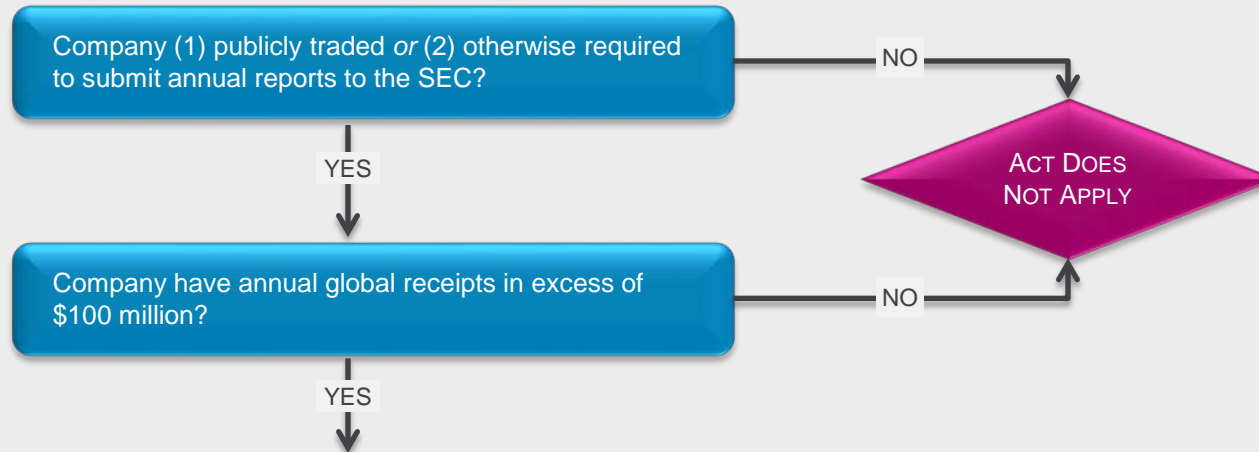




Federal Bill H.R. 2759: “Business Transparency on Trafficking and Slavery Act”



Supply Chain Due Diligence Concerning Forced Labor, Slavery, Human Trafficking, and the Worst Forms of Child Labor

Company must file annual report titled “Policies to Address Forced Labor, Slavery, Human Trafficking and the Worst Forms of Child Labor” detailing whether it:

- Maintains a policy aimed at identifying and eliminating supply chain risks concerning such exploitation.
 - If so, Company must disclose text or description of policy
- Prohibits use of Company’s corporate products, facilities, or services to obtain or maintain persons under such exploitative conditions
- Verifies supply chain to evaluate and address such exploitation risks
 - If Company conducts such verification, it must disclose:
 - Greatest risks identified within supply chain and (2) measures taken to eliminate them
 - Whether verification conducted by a third party
 - Whether verification process (1) included consultations with independent unions, workers’ associations or workers within the workplace, and (2) whether the results of such consultations were incorporated into the verification process
- Ensures that the supplier audits are conducted in order to evaluate supplier compliance with Company policy/standards.
 - If audits conducted, are they conducted without advance notice and by independent auditors?

Supply Chain Due Diligence Concerning Forced Labor, Slavery, Human Trafficking, and the Worst Forms of Child Labor (Cont.)

- Assesses suppliers’ management & procurement systems to verify whether suppliers have in place appropriate systems to identify such exploitation risks within the suppliers’ supply chain
- Requires supplier certification that materials incorporate into products comply with laws governing such exploitation in the countries in which they are doing business
- Maintains (1) internal accountability standards, (2) supply chain management and procurement systems, and (3) procedures concerning how to address employees or contractors failing to meet Company’s standards.
 - If so, must describe standards and systems
- Provides training to Company employees and management having direct responsibility for supply chain management (with special focus on risk mitigation)
- Ensures that suppliers’ recruiting practices comply with Company’s standards for eliminating exploitative labor practices contributing to such exploitation.
 - If so, must disclose whether labor recruiters are audited and results of any such audits

If exploitation identified in Company’s supply chain, was remediation provided to the victims?

Required Disclosures

- Mandatory disclosures concerning answers to foregoing must be made available on Company’s Internet homepage through a “conspicuous and easily understood” link to Company’s “Policies to Address Forced Labor, Slavery, Human Trafficking, and the Worst Forms of Child Labor.”
- If no website, provide written disclosure within 30 days of investor or consumer’s written request.