Overview

Human rights, modern slavery and human trafficking are increasing areas of focus for governments and businesses globally. The UN Guiding Principles on Business and Human Rights impose duties on both states and businesses to ensure corporate action respects human rights. Judgments of national courts and international tribunals hold corporations to ever stricter account for their responsibilities in this area and UN negotiations continue for a global treaty imposing binding international law obligations on businesses.

Legislation is requiring businesses to become more transparent, and to think about the impact of their own business and their supply chains. In California, the Transparency in Supply Chains Act requires companies in certain sectors with US$100 million in worldwide sales and some connection to California to make full disclosure of their supply chains and whether they regularly check them for possible slavery or trafficking conditions. Businesses are expected to explain what they do about the risk.

In the UK, the Modern Slavery Act came into force in October 2015. It requires businesses to report annually what they are doing to combat slavery and human trafficking. For companies with complex supply chains and international operations, this is a challenging task, but one in respect of which they are subject to increasing public and regulatory scrutiny. This supplements existing requirements under the Companies Act 2006 for all UK listed companies to publish a strategic report, including information on the company’s policies and actions in relation to social, community and human rights issues. Further, a wave of recent Court of Appeal decisions has reinforced the possibility of jurisdiction over claims against UK-domiciled parent companies regarding human rights impacts of their subsidiaries abroad.

Other countries are fast following suit. Australia’s parliament is currently considering a Modern Slavery Bill. France has introduced the Due Diligence Law, requiring large companies to develop, implement and publish their plans to demonstrate what they do to avoid risks to human rights and fundamental freedoms.

The key focus is on transparency, but the legislative trend is towards tougher regulation, and businesses know they need to take compliance seriously now.

Dentons’ Human Rights and Modern Slavery team includes lawyers from across the Firm who regularly advise in connection with all aspects of human rights. With our global presence, we are one of few firms that can provide multinational businesses with a global viewpoint on this international issue. We have experience in helping companies comply with reporting requirements on human rights and modern slavery across jurisdictions. We advise on contractual protection and promotion of human rights, and on due diligence and audit processes. Frequently our clients have complicated corporate structures and we work with them to ensure appropriate reporting is done by and for the correct entities.

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