**Email Drafts**

Dear Client,

This Resource Guide is intended to help covered companies by offering recommendations about model disclosures and best practices for developing such disclosures. In each disclosure category, the Guide discusses how a company can provide disclosures that comply with the law, as well as enhance consumers’ understanding of its anti-trafficking and anti-slavery efforts. All disclosures must be posted on the company’s website and accessible by a “conspicuous and easily understood”. If a company subject to the law has no website, it must provide written disclosures within 30 days of receiving a written consumer request for the information. The Resource Guide addresses each of the Act’s requirements and provides model disclosures based on actual company disclosures that fit with the language and spirit of the law. Of course, the model disclosures provided in this guide are merely examples. There is no formula for a model disclosure because one size does not necessarily fit all. For further clarification we attach the full requirements below.

Workers are a critical component of a company’s supply chain. Within a supply chain, labour brokers or third-party recruiters sometimes serve as the intermediary in the recruitment, hiring, and even management of workers. Consumers would also benefit from having some data about the auditing process, such as statistics regarding announced and unannounced off-site worker interviews, the breakdown of audits by each component of the supply chain and the number and percentage of suppliers audited. There is a growing recognition that independent audits uncover more than audits completed using a company’s internal staff, and that advance warning of audits can allow unscrupulous suppliers to correct misconduct in the short term, providing a false sense of compliance. Without revealing a company’s confidential, proprietary and/or trade secret information, or undermining the deterrent effect of surprise unannounced audits, a company can disclose general audit statistics to provide consumers with quantifiable information about the effectiveness of the company’s auditing program.

In this category, a company should focus on its compliance program. A company might begin by generally describing its internal procedures, if any, for holding employees and contractors accountable for complying with its anti-slavery and human trafficking standards. Without revealing confidential, proprietary, and/or trade secret information, this could include, among other things, what those standards are, who has responsibility for monitoring compliance, and general examples of what the penalties are for non-compliance. Related law enforcement training and penalty provision laws include: the Human Trafficking and Collaboration and Training Act (SB 180) of 2005 (Cal. Pen. Code, § 13519.14) which required the Commission on Peace Officer Standards and Training (POST) to establish a training course and guidelines for law enforcement human trafficking response efforts.

Kindly consider the above-mentioned information and treat it as reference.

Thanks and Regards,

Mouli S.

Dear Client,

Your company is required under the California Transparency in Supply Chains Act ("CTSCA") to provide a disclosure on the extent of its due diligence with respect to human trafficking and slavery in its supply chains.

The CTSCA applies to any company doing business in California that has annual worldwide gross receipts of more than US$100 million and that identifies itself as a "retail seller" or "manufacturer" on its California tax return. In order to comply with the CTSCA, your company should have a separate page on its web site, linked conspicuously from the home page, that details the extent of its due diligence with respect to human trafficking and slavery in its supply chains. The disclosure must describe the extent of the company's efforts to:

• Verify product supply chains to evaluate and address risks of human trafficking and slavery (including specifying if the verification was not conducted by a third party);

• Conduct audits of suppliers to evaluate compliance with company standards for trafficking and slavery in supply chains (including specifying if the audit was not independent and unannounced);

• Require direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business;

• Maintain internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking;

• Provide company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within supply chains.

If your company does not comply with the CTSCA, the Attorney General of California may obtain injunctive relief (a court order) requiring compliance.

Please do not hesitate to reach out with any further questions about the CTSCA.

Kind Regards,

Clifford Chance