

# Taxonomy of Legislation

A Global Analysis of Modern  
Slavery Law

WHAT IT REQUIRES  
WHAT IT ENFORCES  
WHAT IT MISSES

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# Executive Summary

**Fifty million people live in modern slavery. Over the past fifteen years, more than a dozen jurisdictions have passed laws aimed at forcing corporate supply chains into the open. These laws vary enormously — not just in scope and ambition, but in two dimensions that determine whether they actually work: whether they require companies to look (eyes), and whether they punish companies that don't (teeth).**

Evidencity's Taxonomy of Transparency Legislation maps every major modern slavery and supply chain due diligence law in the world against these two dimensions. What emerges is a global patchwork where most legislation either asks companies to report without investigating, or threatens punishment without requiring the investigative capability to comply. Only a handful of jurisdictions require both.

## **The taxonomy reveals four distinct layers:**

**Layer 1 — Neither Eyes Nor Teeth:** Laws that require reporting with no mandated content and no penalties (UK, California).

**Layer 2 — Eyes Without Teeth:** Laws that

specify what to look for but carry no meaningful consequences for failure (Australia, Canada).

**Layer 3 — Teeth Without Eyes:** Laws that impose real penalties but don't require the investigative capability to comply (New Zealand).

**Layer 4 — Both Eyes and Teeth:** Laws that mandate due diligence and penalise failure (France, Germany, Norway, EU CSDDD).

Two models sit outside this framework entirely: the United States, which bypasses corporate reporting and stops goods at the border; and Brazil, which bypasses legislation altogether and sends inspection teams to worksites.

For companies navigating this landscape, the



## THE COMPLIANCE PARADOX

The most consequential finding is that the political resistance stripping teeth and eyes from legislation is not driven by the cost of compliance.

The European Commission's own analysis estimates that full due diligence under the CSDDD costs between €52,200 and €643,000 annually per company – representing 0.01% of average turnover and 0.13% of average shareholder payouts. Companies do not resist due diligence because it is expensive. They resist it because it works.

The cost of the scan is negligible. The cost of the findings – remediation, liability, reputational exposure – is what terrifies corporate counsel.

strategic implication is clear: legislation is converging toward mandatory due diligence.

The question is not whether your jurisdiction will require you to look, but when. Companies that invest now in genuine supply chain visibility – not box-checking compliance, but the kind of forensic intelligence that maps operational infrastructure, financial intermediaries, and hidden ownership – will be positioned to meet whatever framework arrives. Those that wait will discover that the penalties for not seeing are already escalating faster than the cost of looking.



# THE TAXONOMY: FOUR LAYERS OF MODERN SLAVERY LEGISLATION

01

## Neither eyes nor teeth

Laws that require companies to publish statements about their supply chains but don't mandate content, don't penalise non-compliance, and don't require investigation.

### UNITED KINGDOM

#### MODERN SLAVERY ACT, SECTION 54 (2015)

The UK Modern Slavery Act was the first national supply chain transparency law. Section 54 requires commercial organisations with turnover above £36 million to publish an annual slavery and human trafficking statement. The statement may describe the company's policies, due diligence processes, and risk assessments – but none of this is mandatory. A company can legally publish a statement declaring it has taken no steps whatsoever.

The enforcement mechanism is an injunction that the Secretary of State can seek in the High Court. It has never been used. Not once in ten years.

The 2019 independent review estimated that 40% of eligible companies were not complying. Oxford University and the British Institute of International and Comparative Law found that while statements grew longer and more sophisticated over time, there was no evidence this translated into actual changes in corporate behaviour. The House of Lords concluded in October 2024 that the regime was "fragmented, ineffective, and inconsistent." The December 2024 government response acknowledged that "the current approach of no enforcement is not one of them" – but still has not introduced penalties.



## FOUR LAYERS OF MODERN SLAVERY LEGISLATION

01

### **CALIFORNIA**

#### **TRANSPARENCY IN SUPPLY CHAINS ACT (2010)**

Even weaker than the UK model. Disclosure-only, no penalties, no mandated content. The original transparency law, and the least effective.

02

### **Eyes without teeth**

Laws that tell companies what to look for and report on – mandated content, structured criteria – but carry no meaningful penalties for failure.

### **AUSTRALIA**

#### **MODERN SLAVERY ACT (2018)**

Australia improved on the UK model by mandating six specific reporting criteria and establishing a public register. But it carried over the critical flaw: zero penalties for non-compliance.

The UNSW Australian Human Rights Institute's Paper Promises report examined 102 companies sourcing from four high-risk sectors and found that 77% failed to comply with basic reporting requirements, 52% failed to identify obvious modern slavery risks in their operations or supply chains, and only 27% appeared to be taking effective action. The statutory review completed in 2023 recommended the introduction of penalties, mandatory due diligence, and a reduced revenue threshold. The December 2024 government response agreed "in principle" with most recommendations but none have been implemented.



## FOUR LAYERS OF MODERN SLAVERY LEGISLATION

02

### **CANADA**

#### **BILL S-211 (2024)**

Canada went further by specifying seven mandatory reporting criteria and including an import ban mechanism through the Customs Tariff. Penalties exist – up to \$250,000 for certain offences. But the Canada Border Services Agency has detained a single shipment under forced labour provisions. One. Compared to over 16,700 stopped by US Customs and Border Protection under the UFLPA over the same period.

03

### **Teeth without eyes**

Laws that impose real financial and personal consequences for non-compliance, but still don't require companies to actively investigate their supply chains.

### **NEW ZEALAND**

#### **MODERN SLAVERY BILL (2026)**

New Zealand's bill, introduced in February 2026 with cross-party support, marks a genuine advance. It includes criminal fines of NZ\$200,000, civil penalties of up to NZ\$600,000, personal director liability, and exclusion from government procurement. These are real consequences – the first teeth in any Anglosphere modern slavery law.

But the bill does not require mandatory due diligence. It requires companies to report on what they find – or don't find – in their supply chains, without mandating that they actually look. As Minter Ellison's analysis noted, compliance is "difficult without due diligence" but the bill doesn't legally require it.



## THE COMPLIANCE PARADOX IN ACTION

New Zealand's bill punishes companies for what they miss, without requiring the investigative capability to find it.

For companies in high-risk sectors — horticulture, construction, hospitality, labour hire — filing a statement that says “we found nothing” becomes a liability once director penalties are active.

## 04

### Both eyes and teeth

Laws that require companies to actively identify, prevent, mitigate, and remediate human rights impacts — and penalise failure.

#### FRANCE

##### LOI DE VIGILANCE (2017)

France pioneered mandatory corporate due diligence. Companies with more than 5,000 employees in France (or 10,000 globally) must establish, implement, and publish a vigilance plan identifying risks and preventing serious impacts on human rights and the environment.

Between 2017 and 2024, 30 formal notices and 13 lawsuits were filed under the law, targeting TotalEnergies, BNP Paribas, Carrefour, EDF, La Poste, and SNCF. The Paris Court of Appeal established a dedicated chamber (Chamber 5-12) for vigilance cases. The landmark La Poste ruling — first instance in December 2023, upheld on appeal in June 2025 — ordered the company to substantially revise its vigilance plan, marking the first appellate-level decision requiring a company to improve its due diligence.



## FOUR LAYERS OF MODERN SLAVERY LEGISLATION

04

### GERMANY

#### SUPPLY CHAIN DUE DILIGENCE ACT, LKSG (2023)

Germany's law required companies with 1,000+ employees to implement risk management systems, appoint human rights officers, and conduct annual risk analyses. BAFA conducted 851 ex officio audits in 2024. Fines could reach up to 2% of global annual turnover, with three-year exclusion from public procurement.

But the political arc is instructive. The September 2025 coalition agreement placed LkSG abolition under the heading "Bureaucracy reduction." The reporting obligation was eliminated retroactively to January 2023. Sanctions were limited to "serious human rights violations" only. Germany's law had both eyes and teeth – and the government is now methodically extracting both.

### EU

#### CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE, CSDDD (2024, APPLICATION FROM 2029)

The most comprehensive framework globally, even after the December 2025 Omnibus rollback. The CSDDD requires risk-based human rights and environmental due diligence across value chains, with penalties of up to 5% of global net turnover and civil liability provisions. But the Omnibus narrowed scope to companies with 5,000+ employees and €1.5 billion+ turnover, removed climate transition plans, and deferred application to July 2029. The law exists on paper as the world's most ambitious due diligence framework. It does not yet exist as enforcement.



## FOUR LAYERS OF MODERN SLAVERY LEGISLATION

04

### **NORWAY TRANSPARENCY ACT (2022)**

Norway requires due diligence extending to Tier N suppliers – the deepest supply chain reach of any legislation. Enforcement data is still emerging.

### **UNITED STATES UYGHUR FORCED LABOR PREVENTION ACT, UFLPA (2022)**

The US model bypasses corporate reporting entirely. The UFLPA establishes a rebuttable presumption: goods mined, produced, or manufactured in the Xinjiang Uyghur Autonomous Region, or by entities on the UFLPA Entity List, are presumed made with forced labour and prohibited from US importation. The burden falls on the importer to provide “clear and convincing evidence” otherwise.

As of August 2025: 16,700+ shipments stopped, \$3.7 billion in value examined, 10,274 denied entry. In fiscal year 2025, CBP stopped 7,325 shipments – a 51% increase over FY2024. Denial rates for goods originating from China hit 77%. The Entity List expanded from 20 to 144 entities.

But there are caveats. A December 2025 congressional letter flagged that enforcement dropped from an average of 1,062 stopped shipments per month to 224 between April and August 2025 – a fourfold reduction. And the UFLPA is narrowly targeted at Xinjiang. It is a geopolitical import ban with human rights architecture, not systemic supply chain due diligence.



## FOUR LAYERS OF MODERN SLAVERY LEGISLATION

### **BRAZIL** **THE ENFORCER WITHOUT LEGISLATION**

Brazil has no supply chain transparency law. What it has is something more direct.

Since 1995, Brazil's Special Mobile Inspection Group (GEFM) has deployed teams to worksites across the country to investigate complaints, rescue workers, and prosecute employers. Over 65,000 workers have been freed from conditions analogous to slavery. Brazil's Article 149 of the Penal Code defines slavery more broadly than any other jurisdiction: forced labour, debt bondage, degrading conditions, or exhaustive working hours.

The lista suja — “dirty list” — names employers found using slavery-analogous conditions. Updated in October 2025, the list includes 159 employers, a 20% increase over the prior publication. From 2020 to 2025 alone, 1,530 workers were rescued. Top sectors: beef cattle farming (20 cases), domestic services (15), coffee cultivation (9), construction (8). Blacklisted companies lose access to government credit and public procurement.

In February 2024, a GlobalG.A.P.-certified lime producer was added to the dirty list after 20 workers — including a teenager — were rescued from conditions analogous to slavery on a farm in Mato Grosso do Sul. The farm's limes were being exported through intermediaries to distributors supplying the European market.

Brazil's model works because it cuts the company out of the compliance equation. It doesn't ask employers to self-report. It sends inspectors to find slavery and publishes the names of those who use it.



# THE POLITICAL ARCHITECTURE: WHY LEGISLATION LOSES ITS TEETH

**Across every jurisdiction, the same three arguments surface whenever penalties or due diligence are proposed — and they have won more often than they have lost.**

## **“THE COMPETITIVENESS BURDEN”**

The dominant counter-argument globally. The claim: mandatory due diligence creates competitive disadvantage against foreign competitors not subject to equivalent requirements.

The EU CSDDD is the clearest case study. The Mario Draghi competitiveness report (September 2024) framed sustainability regulation as a barrier to European growth. Commission President von der Leyen announced the Omnibus in November 2024 under the banner of “making business easy inside Europe.” A mostly US-based coalition calling itself the “Competitiveness Roundtable” lobbied EU institutions, member state capitals, and even the Trump administration to weaken the directive. Meanwhile, 21 German companies — including ALDI SOUTH, Tchibo, and Ritter Sport — wrote to Chancellor Merz calling the proposed weakening

“counterproductive,” and over 360 civil society organisations from 53 countries opposed the rollback. The competitiveness argument won anyway.

Germany’s LkSG followed the same arc. The coalition agreement explicitly placed its abolition under “Bureaucracy reduction.” New Zealand’s 2022 proposal included mandatory due diligence; by 2026, due diligence was gone and the threshold had jumped from NZ\$20 million to NZ\$100 million.



## THE POLITICAL ARCHITECTURE: WHY LEGISLATION LOSES ITS TEETH

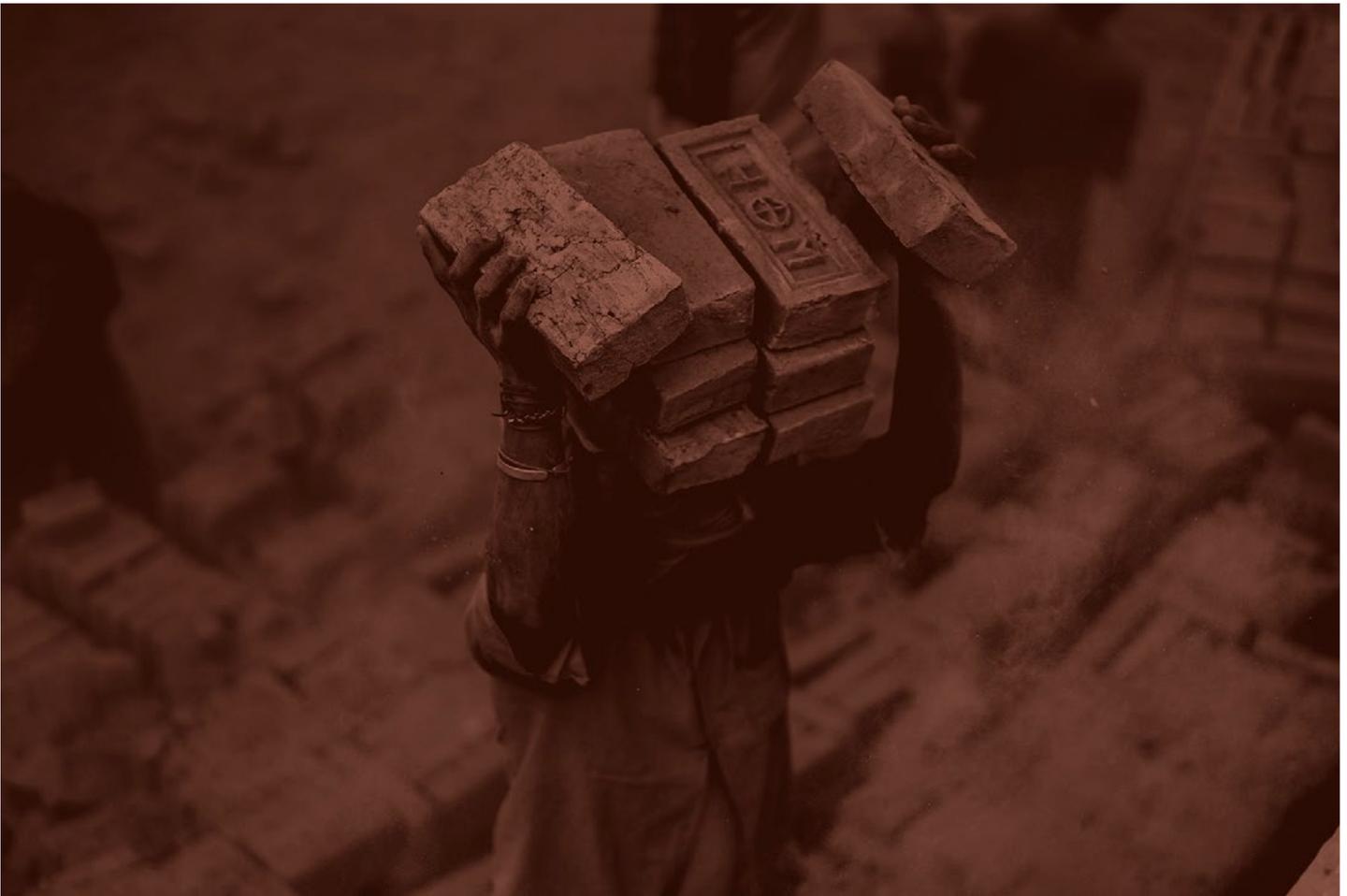
### **“TRANSPARENCY WILL DRIVE CHANGE ON ITS OWN”**

The UK originated this theory: requiring companies to publish statements about their supply chain practices would create sufficient reputational pressure to drive behavioural change. Ten years of evidence disproves it. The UK’s enforcement mechanism has never been used. Australia found that reporting alone produced paper promises – three quarters of companies failed basic compliance. The theory persists because it is politically frictionless – it allows governments to legislate on modern slavery without creating any compliance cost for business.

### **“SME PROTECTION”**

The claim that due diligence requirements trickle down unfairly to small and medium enterprises. The EU Omnibus explicitly included “anti-trickle-down” provisions. The European Coalition for

Corporate Justice responded: the CSDDD is clear that large companies must cover verification costs. The real threat to small businesses is not regulation but corporate exploitation through unfair contract terms, impossible deadlines, and supply chain pressure – exactly the conditions that create forced labour in the first place.



## **THE PATTERN**

**Governments want to be seen acting on modern slavery — it is bipartisan, nobody argues for slavery — but face organised resistance to any measure that creates actual compliance cost.**

**The result is legislation that sounds strong but is structurally incapable of finding what it claims to be looking for.**

# THE COST OF DUE DILIGENCE: WHAT THE “BURDEN” ACTUALLY LOOKS LIKE

**The competitiveness argument rests on an assumption: that due diligence is prohibitively expensive. The data says otherwise.**

## WHAT THE EUROPEAN COMMISSION ESTIMATES

The EU’s own impact assessment estimated annual CSDDD compliance costs between €52,200 for large companies and €643,000 for very large companies (those with over €5 billion turnover). A Dutch government-commissioned study put annual recurring costs at approximately €463,000.

## WHAT THAT REPRESENTS

SOMO’s analysis of 918 companies falling under CSDDD scope found that the highest compliance estimate (€643,000) represents 0.01% of the average company’s annual turnover, 0.09% of average net profit, and 0.13% of average shareholder payouts in 2023. The estimated cost of complying with the most comprehensive human rights due diligence law ever written is less than one-seventh of one percent of what these companies return to shareholders.

## WHAT THE INDUSTRY LOBBY CLAIMS

The US National Association of Manufacturers commissioned a report claiming CSDDD would impose \$637 billion to \$1.09 trillion in costs on the US economy – figures nearly 500 times higher than the EU’s own estimate of €2.26 billion in total costs across all affected companies. The gap between these numbers tells you everything about how the “burden” narrative is constructed.

## WHAT ENFORCEMENT ACTUALLY COSTS COMPANIES

A single UFLPA detention costs importers an average of \$810,000 – covering legal fees, storage, demurrage charges, lost sales, and operational disruption. One detention exceeds the EU’s highest annual estimate for full CSDDD compliance. Under New Zealand’s bill, a single criminal fine is NZ\$200,000 and a civil penalty NZ\$600,000, before director liability and procurement exclusion.



## THE CALCULATION

Companies do not resist due diligence because it is expensive. They resist it because it works. Finding modern slavery in your supply chain triggers remediation obligations, potential civil liability, reputational exposure, and investor scrutiny. The cost of the scan is negligible. The cost of the findings is what terrifies corporate counsel.

This is the Compliance Paradox at the heart of modern slavery legislation: the more teeth a law has, the more dangerous it is to lack eyes.

## WHAT TECHNOLOGY ENABLES

Enterprise supply chain risk management platforms already exist that can scan over 100,000 suppliers across 200+ jurisdictions and a dozen risk taxonomies – covering sanctions, forced labour, adverse media, ownership structures, and environmental risk – in a single platform. One such provider holds a multi-year, \$74.5 million contract to deliver supply chain risk management as a shared service across over 60 US federal agencies.

The technology to conduct due diligence at global scale is not hypothetical. It is operational, proven, and in daily use by governments managing the world's most complex supply chains.



# WHAT STANDARD SCREENING MISSES

**Most corporate supply chain due diligence follows a predictable pattern: screen entities against sanctions lists, check for adverse media, verify corporate registrations, confirm no Interpol notices. This is what the industry calls “standard screening.” It checks known databases for known risks.**

Standard screening would catch a company on the OFAC sanctions list. It would catch a supplier named in a BBC investigation. It would catch an entity on the UFLPA Entity List.

It would not catch the front company registered in a clean jurisdiction with no adverse media that functions as the billing entity for a trafficking network. It would not catch the legal representative who incorporates businesses for sanctioned operators while maintaining a clean personal record. It would not catch the financial intermediary who channels \$15 million annually back to a single individual through layered corporate structures designed to resist investigation.

This is the gap between screening entities and mapping networks. Standard tools check whether an entity appears on a list. They do not map the relationships between entities that reveal how criminal infrastructure actually operates. A front company scores a moderate risk — perhaps a 70 on a standard risk scale. Its operators might score higher.

But neither score reveals the three-layer network connecting street operations to financial flows to legal insulation.

Under Layer 1 and Layer 2 legislation, this gap is academic — companies face no consequences for missing it. Under Layer 3 legislation, the gap becomes a liability. Under Layer 4, the gap is where litigation happens. France’s vigilance cases are not about whether companies screened their suppliers. They are about whether companies mapped the risks in their value chains with sufficient rigour and methodology.

Illicit network intelligence — the forensic mapping of relationships between entities, operators, intermediaries, and financial flows — fills this gap. It reveals not just entities, but the infrastructure that makes criminal enterprise function while passing conventional screening. Front companies, financial networks, document mills, legal representatives, franchise structures: the operational architecture of modern slavery that standard tools are not designed to detect.



# WHERE NEXT: PREDICTIVE ANALYSIS

**The global trajectory is toward mandatory due diligence with enforcement. The question is timing and scope.**

## **EU FORCED LABOUR REGULATION (PENDING IMPLEMENTATION)**

Adopted in 2024 alongside the CSDDD, the EU Forced Labour Regulation will prohibit products made with forced labour from being placed on or exported from the EU market. Unlike the UFLPA, it is not geographically limited – it applies to all forced labour, anywhere. This regulation will effectively create a European equivalent of the US border enforcement model, operating alongside the CSDDD's corporate due diligence framework.

## **AUSTRALIA – PENALTIES AND DUE DILIGENCE**

The December 2024 government response agreed in principle to introduce civil penalties for failing to submit statements, providing false information, or failing to comply with remedial action requests. An Anti-Slavery Commissioner has been appointed. The direction is clear; the

timeline is uncertain. Australia is moving from Layer 2 toward Layer 3 – and the statutory review's recommendation of mandatory due diligence suggests Layer 4 is the eventual destination.

## **UNITED KINGDOM – STALLED BUT PRESSURED**

The UK government has consistently signalled intent to strengthen Section 54 – mandatory reporting content, a single enforcement body, financial penalties, director accountability. The House of Lords committee recommended replacing transparency with due diligence. The Proceeds of Crime Act 2002 provides an underutilised enforcement avenue: importing goods produced with forced labour anywhere in the world qualifies as criminal conduct, meaning companies that knowingly trade in such goods risk money laundering prosecution. Legislative reform remains stalled.

## WHERE NEXT: PREDICTIVE ANALYSIS

### JAPAN – VOLUNTARY TO BINDING?

Japan published voluntary human rights due diligence guidelines in 2022 but has no binding legislation. As the world's fourth-largest economy with extensive supply chains across Southeast Asia, Japan's absence from the mandatory due diligence landscape is significant. Pressure from trade partners – particularly the EU – may accelerate legislative development.

### THE CONVERGENCE

The UFLPA's border enforcement, the EU's combined CSDDD/Forced Labour Regulation framework, and emerging penalty regimes in the Anglosphere are converging. Companies operating across multiple jurisdictions will increasingly face a patchwork of requirements that, in aggregate, demand genuine due diligence capability. Whether the requirement comes from an EU supervisory authority, US Customs and Border Protection, or a New Zealand Human Rights Commission, the underlying capability is the same: the ability to map, verify, and document the relationships, origins, and risks embedded in your value chain.



# THE BLANK MAP: THE GLOBAL SOUTH AS A RISK FACTOR

**The most striking feature of the global modern slavery legislative landscape is where it does not exist.**

No supply chain transparency or due diligence legislation has been enacted in Latin America (beyond Brazil's enforcement-first model), sub-Saharan Africa, the Middle East and North Africa, or most of Asia. India, Bangladesh, Vietnam, Thailand, Indonesia, the Philippines — countries at the centre of global supply chains where forced labour is most prevalent — have no equivalent domestic frameworks.

The laws are written by importing nations. The countries where exploitation occurs have no comparable frameworks.

This is not merely a policy gap. It is a risk factor. For companies sourcing from jurisdictions without domestic modern slavery legislation, the burden of due diligence falls entirely on their own investigative capability. There is no local regulatory infrastructure to lean on, no government register to check, no enforcement agency to flag violations.

If a company cannot independently verify the conditions in its Tier 2 and Tier 3 supply chain in these jurisdictions, no one else will.

For companies operating in this landscape, remediation capability becomes as important as detection. Identifying modern slavery risk in a jurisdiction with no regulatory framework is only the first step. Addressing it — through supplier engagement, alternative sourcing, worker remediation programmes, and ongoing monitoring — requires operational capability that goes beyond screening and reporting. It requires partnerships with organisations that understand the local context, the labour dynamics, and the pathways to sustainable change.

The blank map is not going to be filled by legislation from producing countries any time soon. The response has to come from the companies and their partners who operate in these spaces.

**JURISDICTION QUICK REFERENCE TABLE**

JURISDICTION	LAW	YEAR	THRESHOLD	EYES	TEETH	ENFORCEMENT
<b>California</b>	Transparency Act	2010	Revenue disclosure	No	No	None
<b>UK</b>	Modern Slavery Act s.54	2015	£36M turnover	No	Injunction (never used)	Zero enforcement actions
<b>Australia</b>	Modern Slavery Act	2018	A\$100M revenue	No (recommended)	No (consulting)	77% non-compliance
<b>France</b>	Loi de Vigilance	2017	5,000/10,000 employees	Yes – vigilance plan	Civil liability	13 lawsuits, 1 appellate ruling on merits
<b>Norway</b>	Transparency Act	2022	50+ employees	Yes – Tier N	Yes – fines	Emerging
<b>US</b>	UFLPA	2022	All importers	N/A – border enforcement	Import ban	16,700+ shipments stopped
<b>Germany</b>	LkSG	2023	1,000+ employees	Yes – risk management	Up to 2% turnover	851 audits in 2024; being rolled back
<b>Canada</b>	Bill S-211	2024	Revenue/employee test	Partial – 7 criteria	Up to \$250K	1 shipment detained
<b>EU</b>	CSDDD	2024 (app. 2029)	5,000+ emp / €1.5B+	Yes – value chain	Up to 5% turnover	Not yet in force
<b>Brazil</b>	Lista Suja / Art. 149	2004	All employers	N/A – state inspection	Credit ban, procurement ban	65,000+ workers freed
<b>New Zealand</b>	Modern Slavery Bill	2026	NZ\$100M revenue	No	Criminal \$200K / Civil \$600K	Not yet in force



# ABOUT EVIDENCITY

**Evidencity is a tech-enabled solutions company that unearths the hard truths required to conduct business ethically in emerging markets.**

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Our in-language research creates unique data for illicit networks and political exposure. These proprietary datasets, combined with our methodology for relationship analysis and risk scoring, deliver the transparency companies need to eliminate and avoid bad actors in the relationships vital for ethical business conduct.

Our Illicit Network Intelligence (INI) provides forensic mapping of the relationships, financial flows, and operational infrastructure that make criminal enterprise function while passing conventional screening. From the abaca plantations of Ecuador to the tantalum mines of Eastern Congo, our investigations have traced supply chains from the source to the consumer – revealing the hidden connections that standard tools miss.

RiskSolve combines risk identification with remediation expertise, partnering with specialist organisations across Asia, Latin America, and the extractive sector to move from detection to sustainable change. Because identifying exploitation is only part of the job. The rest is stopping it.



**WE SEE WHAT OTHERS MISS  
BECAUSE WE LOOK WHERE  
OTHERS DON'T.**