

# **EIC Autumn Conference 2015**

## **Connecting Partners – Supply Chain Responsibility**

**From Liability to Responsibility?  
Supply Chain Responsibility from  
a Legal Angle**

**Mark Job (Partner)**

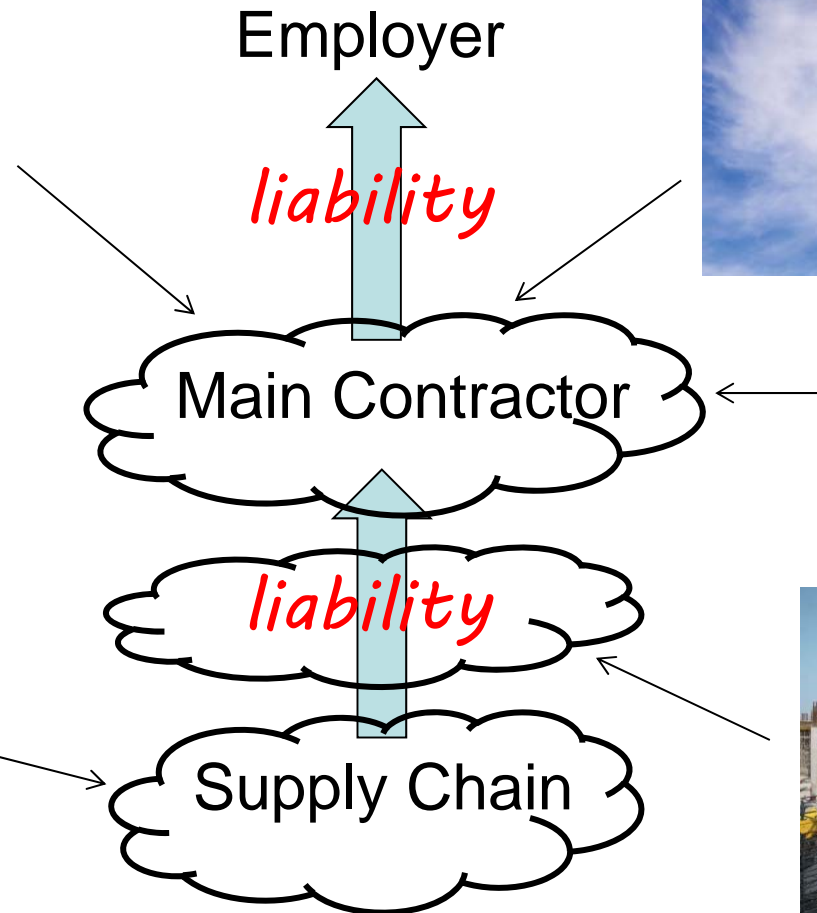


EUROPEAN  
INTERNATIONAL  
CONTRACTORS



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# Liability to Responsibility



# Globalisation

"Supply chains have become a lot more complex in the past 20 years. It is not necessarily that there is more risk out there but that our supply chains touch them more"

*John Glen, Chief Economist  
Cranfield School of Management*



## CIP's Quarterly Risk Index

1994: 23.7 X 3.3

2015: 80.1

(High: 82.4, Q3 2013)

Economic Instability  
(direct/indirect effects)

Political  
Instability

Environmental  
Disaster

# Growing Liability Gap

Limits on Liability

Jurisdiction

Duration of Liability



Cash Flow

Security

Procedural Complexities

# Employer/Funder Intervention



# Clamping Down on Corruption and Oppression

## Reputational Damage

- Competitive dis-advantage
- Investor confidence
- Debarring

## Economically Adverse

- Increases prices
- Restricts investment
- Distorts marketplace

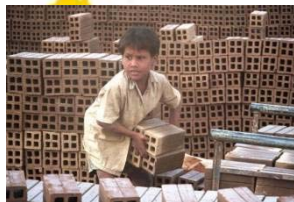


## Contractual Sanctions

- e.g. FIDIC, MDB provisions

## Increasing Civil/Criminal Sanctions

- OECD Anti Bribery Convention (41 countries)
- Global law: FCPA, Bribery Act, Modern Slavery Act
- Fines & Imprisonment



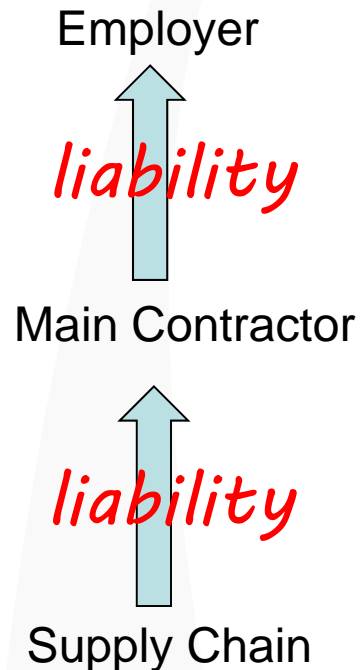
# Top 10 FCPA cases\* of all time

1. **Siemens** (Germany): \$800 million in 2008.
2. **KBR / Halliburton** (USA): \$579 million in 2009.
3. **BAE** (UK): \$400 million in 2010.
4. **Total S.A.** (France) \$398 million in 2013.
5. **Snamprogetti Netherlands B.V. / ENI S.p.A** (Holland/Italy): \$365 million in 2010.
6. **Technip S.A.** (France): \$338 million in 2010.
7. **JGC Corporation** (Japan) \$218.8 million in 2011.
8. **Daimler AG** (Germany): \$185 million in 2010.
9. **<NEW ENTRY> Weatherford International** (Switzerland): \$152.6 million in 2013.
10. **Alcatel-Lucent** (France): \$137 million in 2010

\*An individual, **Jeffrey Tesler** of the U.K., agreed to an FCPA-related forfeiture of \$149 million in 2011.



# Liability to Responsibility

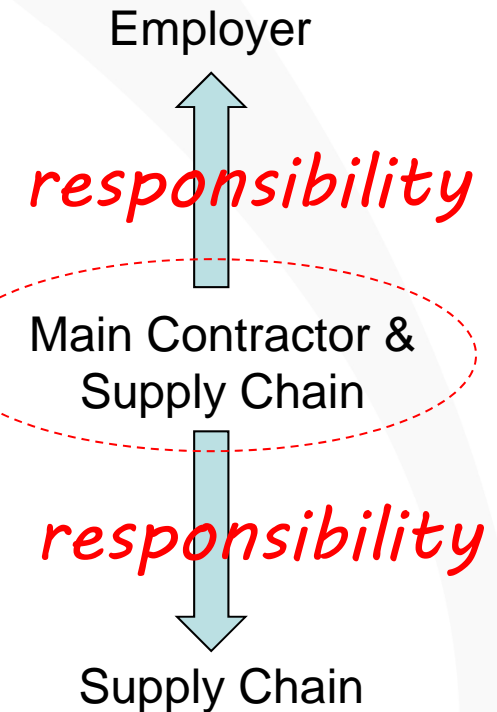


## Supply Chain Transparency

- Established, sustainable relationships
- Understand risks they face

## Continued Engagement

- From order to completion
- Education
- Look for “the warning signs”







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