

AMENDED IN ASSEMBLY JUNE 23, 2010

AMENDED IN SENATE JUNE 1, 2009

**SENATE BILL**

**No. 657**

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**Introduced by Senator Steinberg**

February 27, 2009

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An act to add Section 1714.43 to the Civil Code, relating to human trafficking.

LEGISLATIVE COUNSEL'S DIGEST

SB 657, as amended, Steinberg. Human trafficking.

The federal Victims of Trafficking and Violence Protection Act of 2000 establishes an Interagency Task Force to Monitor and Combat Trafficking, as specified.

Existing state law makes human trafficking a crime. Existing state law also allows a victim of human trafficking to bring a civil action for actual damages, compensatory damages, punitive damages, injunctive relief, any combination of those, or any other appropriate relief.

Existing law generally regulates various business activities and practices, including those of retail sellers and manufacturers of products.

This bill *would enact the California Transparency in Supply Chains Act of 2010, and* would, beginning January 1, ~~2011~~ 2012, require retail sellers and manufacturers doing business in the state to develop, maintain, and ~~implement policies related to their compliance with federal and state law regarding the eradication of~~ *disclose their efforts to eradicate* slavery and human trafficking *from their supply chains*, as specified. That provision would not apply to a retail seller or manufacturer having less than ~~\$2,000,000 in annual sales~~ *\$100,000,000 in annual gross receipts*. The bill would also make a specified statement of legislative intent regarding slavery and human trafficking.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     *SECTION 1. This act shall be known, and may be cited, as the*
- 2     *California Transparency in Supply Chains Act of 2010.*
- 3     ~~SECTION 1.~~
- 4     *SEC. 2. The Legislature finds and declares the following:*
- 5     (i) Slavery and human trafficking are crimes under state, federal,
- 6     and international law.
- 7     (ii) Slavery and human trafficking exist in every country,
- 8     including the United States, and the State of California, ~~and~~
- 9     ~~consumers and businesses are often inadvertently touched by this~~
- 10    ~~crime through the unknowing purchase of goods that have been~~
- 11    ~~infected in the supply chain.~~
- 12    (iii) As a result of the criminal natures of slavery and human
- 13    trafficking, these crimes are often hidden from view and are
- 14    difficult to uncover and track.
- 15    ~~(d) Eradicating slavery and human trafficking from California~~
- 16    ~~consumer goods will serve the ultimate goal of eradicating slavery~~
- 17    ~~and human trafficking worldwide.~~
- 18    ~~(e) Where slavery and human trafficking are found to exist, a~~
- 19    ~~policy of engagement by business, government, and~~
- 20    ~~nongovernmental organizations, rather than boycotts or~~
- 21    ~~disengagement, is often a more successful strategy in the fight to~~
- 22    ~~eradicate this criminally exploitive conduct.~~
- 23    (iii) *In recent years, significant legislative efforts have been made*
- 24    *to capture and punish the perpetrators of these crimes.*
- 25    (iv) *Significant legislative efforts have also been made to ensure*
- 26    *that victims are provided with necessary protections and rights.*
- 27    (v) *Legislative efforts to address the market for goods and*
- 28    *products tainted by slavery and trafficking have been lacking, the*
- 29    *market being a key impetus for these crimes.*
- 30    (vi) *In September 2009, the United States Department of Labor*
- 31    *released a report required by the Trafficking Victims Protection*
- 32    *Reauthorization Acts of 2005 and 2008 which named 122 goods*
- 33    *from 58 countries that are believed to be produced by forced labor*
- 34    *or child labor in violation of international standards.*

1 (h) Consumers and businesses are inadvertently promoting and  
2 sanctioning these crimes through the purchase of goods and  
3 products that have been tainted in the supply chain.

4 (i) Absent publicly available disclosures, consumers are at a  
5 disadvantage in being able to distinguish companies on the merits  
6 of their efforts to supply products free from the taint of slavery  
7 and trafficking. Consumers are at a disadvantage in being able to  
8 force the eradication of slavery and trafficking by way of their  
9 purchasing decisions.

10 (f)

11 (j) It is the policy of this state to ~~assist California businesses to~~  
12 ~~identify and work to eliminate~~ ensure large retailers and  
13 manufacturers provide consumers with information regarding  
14 their efforts to eradicate slavery and human trafficking from their  
15 supply chains, to educate consumers on how to purchase goods  
16 produced by companies that responsibly manage their supply  
17 chains, and, thereby, to improve the lives of victims of slavery and  
18 human trafficking.

19 ~~SEC. 2.~~

20 SEC. 3. Section 1714.43 is added to the Civil Code, to read:

21 1714.43. (a) Every retail seller and manufacturer doing  
22 business in this state and having annual gross receipts that exceed  
23 one hundred million dollars (\$100,000,000) shall develop,  
24 maintain, and ~~implement a policy setting forth its efforts to comply~~  
25 ~~with federal and state law regarding the eradication of~~ disclose its  
26 efforts to eradicate slavery and human trafficking from its supply  
27 chain. For purposes of this section, “doing business in this state”  
28 shall have the same meaning as set forth in Section 23101 of the  
29 Revenue and Taxation Code.

30 (b) The ~~policy disclosure~~ described in subdivision (a) shall be  
31 posted on the retail seller’s or manufacturer’s Internet Web site,  
32 and shall be made available in writing upon request by a consumer.  
33 In the event the retail seller or manufacturer does not have an  
34 Internet Web site, consumers shall be provided the written  
35 disclosure within 30 days of receiving a written request for the  
36 disclosure from a consumer.

37 (c) The ~~policy disclosure~~ described in subdivision (a) shall, at  
38 a minimum, ~~include both of the following elements:~~

39 (1) ~~That the company and all the suppliers in its supply chain,~~  
40 ~~including the suppliers of the raw materials incorporated into the~~

1 product, will comply with the laws regarding slavery and human  
2 trafficking of the country or countries in which they are doing  
3 business.

4 (2) ~~That the company will make a good faith effort to eradicate~~  
5 ~~slavery and human trafficking in its existing supply chain rather~~  
6 ~~than only stop doing business in the area where it discovers that~~  
7 ~~its supply chain is tainted by slavery or human trafficking.~~

8 (d) ~~This section shall not apply to a retail seller or manufacturer~~  
9 ~~having less than two million dollars (\$2,000,000) in annual sales.~~

10 (e) ~~Nothing in this section shall require a manufacturer to reveal~~  
11 ~~a trade secret.~~

12 (f) ~~disclose to what extent the retail seller or manufacturer~~  
13 ~~does each of the following:~~

14 (1) *Engages in third-party verification of product supply chains*  
15 *to evaluate and address risks of human trafficking and slavery.*

16 (2) *Conducts independent, unannounced audits of suppliers to*  
17 *evaluate supplier compliance with company standards for*  
18 *trafficking and slavery in supply chains.*

19 (3) *Requires suppliers to certify that raw materials incorporated*  
20 *into the product comply with the laws regarding slavery and human*  
21 *trafficking of the country or countries in which they are doing*  
22 *business.*

23 (4) *Maintains internal accountability standards and procedures*  
24 *for employees or contractors failing to meet company standards*  
25 *regarding slavery and trafficking.*

26 (5) *Provides company employees and management training on*  
27 *human trafficking and slavery, particularly with respect to*  
28 *mitigating risks within the supply chains of products.*

29 (d) The exclusive remedy for a violation of this section shall be  
30 an action brought by the Attorney General for injunctive relief.  
31 Nothing in this section shall limit remedies available for a violation  
32 of any other state or federal law.

33 (g)

34 (e) The provisions of this section shall take effect on January  
35 1, ~~2011~~ 2012.