

AMENDED IN ASSEMBLY JUNE 30, 2010

AMENDED IN ASSEMBLY JUNE 23, 2010

AMENDED IN SENATE JUNE 1, 2009

SENATE BILL

No. 657

Introduced by Senator Steinberg

(Coauthors: Assembly Members Brownley and Saldaña)

February 27, 2009

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, 2012, require retail sellers and manufacturers doing business in the state to ~~develop, maintain, and~~ 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 \$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 SEC. 2. The Legislature finds and declares the following:
- 4 (a) Slavery and human trafficking are crimes under state, federal,
5 and international law.
- 6 (b) Slavery and human trafficking exist in every country,
7 including the United States, and the State of California.
- 8 (c) As a result of the criminal natures of slavery and human
9 trafficking, these crimes are often hidden from view and are
10 difficult to uncover and track.
- 11 (d) In recent years, significant legislative efforts have been made
12 to capture and punish the perpetrators of these crimes.
- 13 (e) Significant legislative efforts have also been made to ensure
14 that victims are provided with necessary protections and rights.
- 15 (f) Legislative efforts to address the market for goods and
16 products tainted by slavery and trafficking have been lacking, the
17 market being a key impetus for these crimes.
- 18 (g) In September 2009, the United States Department of Labor
19 released a report required by the Trafficking Victims Protection
20 Reauthorization Acts of 2005 and 2008 which named 122 goods
21 from 58 countries that are believed to be produced by forced labor
22 or child labor in violation of international standards.
- 23 (h) Consumers and businesses are inadvertently promoting and
24 sanctioning these crimes through the purchase of goods and
25 products that have been tainted in the supply chain.
- 26 (i) Absent publicly available disclosures, consumers are at a
27 disadvantage in being able to distinguish companies on the merits
28 of their efforts to supply products free from the taint of slavery
29 and trafficking. Consumers are at a disadvantage in being able to
30 force the eradication of slavery and trafficking by way of their
31 purchasing decisions.
- 32 (j) It is the policy of this state to ensure large retailers and
33 manufacturers provide consumers with information regarding their

1 efforts to eradicate slavery and human trafficking from their supply
2 chains, to educate consumers on how to purchase goods produced
3 by companies that responsibly manage their supply chains, and,
4 thereby, to improve the lives of victims of slavery and human
5 trafficking.

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

7 1714.43. (a) Every retail seller and manufacturer doing
8 business in this state and having annual gross receipts that exceed
9 one hundred million dollars (\$100,000,000) shall ~~develop,~~
10 ~~maintain,~~ and disclose, *as set forth in subdivision (c)*, its efforts to
11 eradicate slavery and human trafficking from its supply chain,
12 *including the absence of any such efforts*. For purposes of this
13 section, “doing business in this state” shall have the same meaning
14 as set forth in Section 23101 of the Revenue and Taxation Code.

15 (b) The disclosure described in subdivision (a) shall be posted
16 on the retail seller’s or manufacturer’s Internet Web site *with a*
17 *conspicuous and easily understood link to the required information*
18 *placed on the business’ homepage*, and shall be made available in
19 writing upon request by a consumer. In the event the retail seller
20 or manufacturer does not have an Internet Web site, consumers
21 shall be provided the written disclosure within 30 days of receiving
22 a written request for the disclosure from a consumer.

23 (c) (1) The disclosure described in subdivision (a) shall, at a
24 minimum, disclose to what extent, *if any, that* the retail seller or
25 manufacturer does each of the following:

26 (1)

27 (A) Engages in third-party verification of product supply chains
28 to evaluate and address risks of human trafficking and slavery.

29 (2)

30 (B) Conducts independent, unannounced audits of suppliers to
31 evaluate supplier compliance with company standards for
32 trafficking and slavery in supply chains.

33 (3)

34 (C) Requires suppliers to certify that raw materials incorporated
35 into the product comply with the laws regarding slavery and human
36 trafficking of the country or countries in which they are doing
37 business.

38 (4)

- 1 (D) Maintains internal accountability standards and procedures
- 2 for employees or contractors failing to meet company standards
- 3 regarding slavery and trafficking.
- 4 ~~(5)~~
- 5 (E) Provides company employees and management training on
- 6 human trafficking and slavery, particularly with respect to
- 7 mitigating risks within the supply chains of products.
- 8 (2) *The disclosure described in subdivision (a) shall include the*
- 9 *absence or lack of any efforts by the retail seller or manufacturer*
- 10 *as to each of the actions specified in paragraph (1).*
- 11 (d) The exclusive remedy for a violation of this section shall be
- 12 an action brought by the Attorney General for injunctive relief.
- 13 Nothing in this section shall limit remedies available for a violation
- 14 of any other state or federal law.
- 15 (e) The provisions of this section shall take effect on January
- 16 1, 2012.