



Press release:

Ten companies' statements under California supply chain law say they are not taking action on human trafficking

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Global – Ten companies, including Caterpillar Inc, Hyundai Motor America and Krispy Kreme Doughnuts, Inc, have indicated they do not have basic policies or procedures in place to address the risk of human trafficking in their supply chains, according to their statements in compliance with a California law requiring businesses to disclose their efforts to prevent slavery.

[KnowTheChain](#), a resource website created to promote greater transparency and dialogue around the issue of trafficking in supply chains, provides a record of company statements in compliance with the California Transparency in Supply Chains Act (SB-657). The site's dataset has uncovered ten companies which, despite posting disclosure statements, state publicly that they are not currently taking any of the five steps described in the Act to address slavery risks in their supply chains.

In a [blog-post on the KnowTheChain website](#), Ed Marcum of Humanity United highlights the fact that these ten companies' disclosure statements, though technically compliant with the letter of the Act, *"have openly chosen not to address the risk of slavery in their supply chains...demonstrat[ing] a lack of concern about the issue and the responsibility for even basic policies or procedures to assess, enforce, or remedy trafficking issues."* Humanity United is one of KnowTheChain's partner organizations.

The ten companies are:

1. [Caterpillar Inc.](#)
2. [Commercial Metals](#)
3. [Danaher Corp.](#)
4. [Hyundai Motor America](#)
5. [IDEX Corporation](#)
6. [Johnson Matthey Inc.](#)
7. [Krispy Kreme Doughnuts, Inc.](#)
8. [Manufactured Packaging Products](#)
9. [Overhill Farms, Inc.](#)
10. [Valero Energy Corp.](#)

This contrasts with the proactive efforts by firms like [Coca-Cola](#), [Manpower](#), and [Patagonia](#). Many others are taking at least some of the steps outlined in the California Transparency in Supply Chains Act.

The Business & Human Rights Resource Centre (BHRRC) approached the ten companies to invite them to respond publicly to the concern with their disclosure statements. Caterpillar, Hyundai Motor America, Johnson Matthey and Valero Energy responded. Their responses [are accessible in full here](#). In its response, Johnson Matthey pointed out that its North America business does have a specific policy on human trafficking and slavery. (Any of the companies that would like to submit a response at

a future date is welcome to do so). In the past, BHRRC [also contacted](#) more than 100 companies featured on the KnowTheChain website that do not yet have an SB-657 disclosure statement.

Phil Bloomer, Executive Director of Business & Human Rights Resource Centre, said: *“It is deeply disappointing to see most of these firms openly state that they do not need to address issues of modern-day slavery and forced labour in supply chains. This issue can pose a material risk to any company’s reputation. Companies are able to monitor supply chains when it comes to quality and price. There is no excuse to avoid practical steps to help eliminate the horrendous practice of human trafficking.”*

BHRRC calls on companies to recognize that risks of supply chain trafficking, slavery and forced labour are present for all sectors, and to take appropriate action.

NOTES FOR EDS

1. Contact: Annabel Short, Program Director, Business & Human Rights Resource Centre: +1 212 564 9160 / short@business-humanrights.org
2. Partners in [KnowTheChain](#) are ATEST, CAST, Free The Slaves, Humanity United, Interfaith Center on Corporate Responsibility, Made in a Free World, Not for Sale, Responsible Sourcing Network, Sustainabilitytics, Tronie Foundation, Verité, Vital Voices and World Vision.
3. The SB-657 [Act](#) requires retailer sellers and manufacturers doing business in California that exceed \$100 million in global revenue to publicly disclose the degree, if any, to which they are taking action on human trafficking in five areas: verification, auditing, and certification of their direct suppliers; maintaining internal accountability standards; and internal training.
4. Extracts from the 10 companies’ disclosure statements:

[Hyundai’s](#) disclosure reads: *“In compliance with the disclosure requirements of California Senate Bill 657...Hyundai supplies the following information: Hyundai has no policy regarding, and does not monitor, human trafficking and slavery in its direct product supply chain.”*

[Caterpillar’s](#) says: *“...we select suppliers who support our values and expect them to comply with all applicable laws and regulations” – but goes on to read: “We do not currently verify our product supply chain or audit suppliers specifically to evaluate risks of human trafficking and slavery...”* (as well as saying it does not take the additional steps described in the Act).

5. See <http://www.business-humanrights.org/en/10-firms-decline-to-take-action-on-trafficking-risks-under-california-transparency-in-supply-chains-act> for responses by Caterpillar, Hyundai Motor America, Johnson Matthey and Valero Energy. (In its response, Johnson Matthey refers to the fact that its North America business does have a specific policy on human trafficking and slavery). Any firm that has not yet responded is welcome to do so.
6. According to the ILO, over 20 million people worldwide are currently victims of human trafficking. Recent reports demonstrate the range of sectors involved: from the [Guardian’s investigation](#) revealing forced labour and extreme violence against fishermen off Thailand, supplying shrimp to Western supermarkets; to the Harvard University report [“Tainted Carpets”](#) on widespread forced labour in the handmade carpet industry in India, supplying major retailers in the US and Europe.
7. About the Resource Centre: Business & Human Rights Resource Centre, an independent non-profit organization, provides the leading information hub on business & human rights. More at www.business-humanrights.org/AboutUs.