



Title: **California Transparency in Supply Chains Act**

Date: **January 2012**

Issued by: **The California Legislature**

Country: **United States**

Overview:

The California Transparency in Supply Chains Act requires companies doing business in California to disclose their efforts to combat human trafficking and modern slavery within their supply chains. This regulation is designed to promote transparency and encourage companies to take action against unethical labour practices.



Applicability: The Act applies to retailers and manufacturers and companies with annual revenues exceeding \$100 million that do business in California.

This includes both U.S.-based and international companies.

Companies within the supply chains of these businesses must respond to ESG disclosure requests from their customers to ensure compliance

Disclosure Requirements

- Information on whether the company has policies in place to address human trafficking and modern slavery
- Actions taken to evaluate and mitigate risks related to human trafficking and slavery within their supply chains
- Conducts audits of suppliers to assess their compliance with company standards regarding trafficking and slavery in supply chains. The disclosure must indicate if the verification was not conducted as an independent, unannounced audit
- Requires direct suppliers to certify that the materials used in the product adhere to the laws on slavery and human trafficking of the countries in which they operate
- Details of training on human trafficking and slavery to company employees and management responsible for supply chain management, focusing particularly on mitigating risks within the product supply chains