

Supply Chain Transparency

The California Transparency in Supply-Chain Act ("CTSCA") was passed in 2010, five years before the Modern Slavery Act ("MSA") in the UK. However, the purpose of the Act is the same – to provide consumers with information about the steps, if any, that companies are taking to eradicate human trafficking and slavery from their supply chains.

The CTSCA applies to companies that identify themselves as retail sellers or manufacturers under California tax returns and that have worldwide sales in excess of \$100m, and requires them to "conspicuously" disclose on their website efforts to eradicate human trafficking and slavery from their direct supply chain for tangible goods offered for sale. Similarly to the UK's MSA, the CTSCA does not require businesses to adopt any specific measures.

Three cases against food manufacturers in which the use of slave labour was raised as an issue have already reached the US courts (Barber vs. Nestle USA and Hodson vs. Mars, Dana v. Hershey). In all of the cases, the plaintiffs raised arguments concerning product disclosure requirements under Californian consumer protection statutes. The Hodson case has been appealed so the courts have not yet had their final say. . Although the cases were dismissed at the trial level, they indicate that consumers in the US are taking an interest in how food is produced, and are prepared to take legal action if they feel they have been misled.

The US and English legal systems are of course very different, and we have seen nothing to suggest that similar claims are likely to be made here. Much more likely is that the issue of slave and forced labour, fuelled by heightened press interest, will become a factor on which consumers base purchasing decisions, ranking alongside healthy eating and environmental concerns.



Contact Us

www.mintz.com