

118TH CONGRESS
1ST SESSION

S. 1434

To require certain businesses to disclose and eradicate the use of unlawful child labor in their supply chain, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 3, 2023

Mr. HAWLEY introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To require certain businesses to disclose and eradicate the use of unlawful child labor in their supply chain, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Corporate Responsi-
5 bility for Child Labor Elimination Act of 2023”.

6 **SEC. 2. REQUIRED REPORTING ON USE OF UNLAWFUL**
7 **CHILD LABOR FROM COVERED BUSINESS EN-**
8 **TITIES.**

9 (a) DEFINITIONS.—In this Act:

1 (1) COVERED BUSINESS ENTITY.—The term
2 “covered business entity” means any issuer, as de-
3 fined in section 2(a) of the Securities Act of 1933
4 (15 U.S.C. 77b(a)), that has annual, worldwide
5 gross receipts that exceed \$500,000,000.

6 (2) GROSS RECEIPTS.—The term “gross re-
7 ceipts” has the meaning given the term in section
8 993(f) of the Internal Revenue Code of 1986.

9 (3) ON-SITE SERVICE.—The term “on-site serv-
10 ice” means any service work provided on the site of
11 a covered business entity or supplier of such entity,
12 including food service work, catering services, clean-
13 ing, and maintenance.

14 (4) ON-SITE SERVICE PROVIDER.—The term
15 “on-site service provider”, with respect to a covered
16 business entity, means any entity that provides
17 workers who perform on-site services for the covered
18 business entity or any supplier of such covered busi-
19 ness entity.

20 (5) SECRETARY.—The term “Secretary” means
21 the Secretary of Labor.

22 (6) SUPPLIER.—The term “supplier”, with re-
23 spect to a covered business entity, means any entity
24 that produces any input of a good produced by such
25 covered business entity.

1 (7) SUPPLY CHAIN.—The term “supply chain”
2 means the end-to-end process for producing and
3 transporting goods beginning at the point of origin
4 through a point of distribution to the destination, in-
5 clusive of suppliers and on-site service providers.

6 (8) UNLAWFUL CHILD LABOR.—The term “un-
7 lawful child labor” means any labor practice that
8 violates child labor laws in the United States, includ-
9 ing Federal and State child labor laws.

10 (b) AUDIT AND REPORTING REQUIREMENTS.—

11 (1) IN GENERAL.—Not later than 1 year after
12 the date of enactment of this Act, and every year
13 thereafter, each covered business entity shall—

14 (A) conduct an audit of its supply chain,
15 pursuant to the requirements of section 3, to
16 investigate the presence or use of unlawful child
17 labor by the covered business entity, suppliers
18 of the covered business entity, and on-site serv-
19 ice providers of the covered business entity;

20 (B) submit a report to the Secretary con-
21 taining the information described in paragraph
22 (2) on the results of such audit and efforts of
23 the covered business entity to eradicate unlaw-
24 ful child labor from the covered business entity,
25 suppliers of the covered business entity, and on-

1 site service providers of the covered business
2 entity; and

3 (C)(i) publish the report described in sub-
4 paragraph (B) on the public website of the cov-
5 ered business entity, and provide a conspicuous
6 and easily understood link on the homepage of
7 such website that leads to the report; or

8 (ii) in the case of a covered business entity
9 that does not have a public website, provide the
10 report in written form to any consumer of the
11 covered business entity not later than 30 days
12 after the consumer submits a request for the
13 report.

14 (2) REQUIRED REPORT CONTENTS.—Each re-
15 port required under paragraph (1)(B) shall contain,
16 at a minimum—

17 (A) a disclosure of the policies of the cov-
18 ered business entity to prevent the use of un-
19 lawful child labor by the covered business entity
20 and any supplier or on-site service provider of
21 the covered business entity;

22 (B) a disclosure of what policies or proce-
23 dures, if any, the covered business entity uses—

24 (i) for the verification of suppliers of
25 the covered business entity and on-site

1 service providers of the covered business
2 entity to evaluate and address risks of un-
3 lawful child labor and whether the
4 verification was conducted by a third
5 party;

6 (ii) to require suppliers of the covered
7 business entity and on-site service pro-
8 viders of the covered business entity to
9 provide written certification that inputs
10 supplied or on-site services provided, re-
11 spectively, comply with the child labor laws
12 in the United States, including any Fed-
13 eral or State child labor law;

14 (iii) to maintain internal account-
15 ability standards and procedures for work-
16 ers, including contractors, of the covered
17 business entity failing to meet require-
18 ments regarding unlawful child labor; and

19 (iv) to provide training on recognizing
20 and preventing unlawful child labor, par-
21 ticularly with respect to mitigating risks
22 within the supply chain of the covered
23 business entity, to workers, including man-
24 agement personnel, of the covered business
25 entity who have direct responsibility for

1 managing the supply chain of the covered
2 business entity;

3 (C) a description of the findings of each
4 audit required under paragraph (1)(A), includ-
5 ing the details of any instances of found or sus-
6 pected unlawful child labor; and

7 (D) a written certification, signed by the
8 chief executive officer of the covered business
9 entity, that—

10 (i) the covered business entity has
11 complied with the requirements of this Act
12 and exercised due diligence in order to
13 eradicate unlawful child labor from the
14 supply chain of the covered business entity;

15 (ii) to the best of the chief executive
16 officer's knowledge, the covered business
17 entity has found no instances of the use of
18 unlawful child labor by the covered busi-
19 ness entity or any supplier or on-site serv-
20 ice provider of the covered business entity
21 or has disclosed every known instance of
22 such use of unlawful child labor; and

23 (iii) the chief executive officer and any
24 other officers submitting the report or cer-
25 tification understand that section 1001 of

1 title 18, United States Code (commonly
2 known as the “False Statements Act”),
3 applies to the information contained in the
4 report submitted to the Secretary.

5 (c) REPORT OF VIOLATIONS TO CONGRESS.—Each
6 year, the Secretary shall prepare and submit a report to
7 Congress regarding covered business entities that—

8 (1) have failed to conduct audits required under
9 this Act for the preceding year or have been adju-
10 dicated in violation of any other provision of this
11 Act; or

12 (2) have been found to have used unlawful child
13 labor, including the use of unlawful child labor in
14 their supply chain.

15 **SEC. 3. AUDIT REQUIREMENTS.**

16 (a) IN GENERAL.—Each audit conducted under sec-
17 tion 2(b)(1)(A) shall meet each of the following require-
18 ments:

19 (1) WORKER INTERVIEWS.—The auditor
20 shall—

21 (A) select a cross-section of workers to
22 interview that represents the full diversity of all
23 workplaces of the covered business entity or a
24 supplier or on-site service provider of the cov-
25 ered business entity, and includes, if applicable,

1 men and women, migrant workers and local
2 workers, workers on different shifts, workers
3 performing different tasks, and members of var-
4 ious teams;

5 (B) if individuals under the age of 18 are
6 working at a facility of the covered business en-
7 tity or a supplier or on-site service provider of
8 the covered business entity, interview a rep-
9 resentative group of such individuals using age-
10 sensitive interview techniques;

11 (C) conduct interviews—

12 (i) off-site of any facility of the cov-
13 ered business entity or a supplier or on-site
14 service provider of the covered business en-
15 tity and during non-work hours for the
16 worker;

17 (ii) individually (except for purposes
18 of subparagraph (B)) or in groups; and

19 (iii) using methods of communication
20 that limit, to the greatest extent prac-
21 ticable, any reliance on devices or services
22 provided to the worker by the covered busi-
23 ness entity or any supplier or on-site serv-
24 ice provider of the covered business entity;

1 (D) use audit tools to ensure that each
2 worker is asked a comprehensive set of ques-
3 tions;

4 (E) collect from interviewed workers copies
5 of the workers' pay stubs, in order to compare
6 the pay stubs with payment records provided by
7 the covered business entity or any supplier or
8 on-site service provider of the covered business
9 entity;

10 (F) ensure that all worker responses are
11 confidential and are never shared with manage-
12 ment personnel of the covered business entity or
13 any supplier or on-site service provider of the
14 covered business entity; and

15 (G) interview a representative of the labor
16 organization or other organization representing
17 workers at a facility of the covered business en-
18 tity or any supplier or on-site service provider
19 of the covered business entity or, if no such or-
20 ganization is present, attempt to interview a
21 representative of such workers from a local
22 worker advocacy group.

23 (2) MANAGEMENT INTERVIEWS.—The auditor
24 shall—

1 (A) interview a cross-section of manage-
2 ment personnel of the covered business entity or
3 any supplier or on-site service provider of the
4 covered business entity, including human re-
5 sources personnel, production supervisors, and
6 others; and

7 (B) use audit tools to ensure that such in-
8 dividuals are asked a comprehensive set of
9 questions.

10 (3) REQUIRED INFORMATION.—The auditor
11 shall conduct a thorough review of information re-
12 garding the covered business entity and any supplier
13 or on-site service provider of the covered business
14 entity to provide tangible proof of compliance with
15 child labor laws in the United States, including any
16 Federal or State child labor law, and to corroborate
17 or find discrepancies in the information gathered
18 through the worker and management interviews
19 under paragraphs (1) and (2), respectively. At a
20 minimum, such review shall contain, with respect to
21 the covered business entity and any supplier or on-
22 site service provider of the covered business entity,
23 a review of each of the following:

24 (A) Procedures and documents with re-
25 spect to verifying the age of workers.

1 (B) A master list of juvenile workers or in-
2 formation related to juvenile workers.

3 (C) Procedures regarding the selection and
4 recruitment of workers.

5 (D) Contracts with labor brokers, if any.

6 (E) Worker contracts and other employ-
7 ment agreements.

8 (F) Introduction program materials.

9 (G) Personnel files of workers.

10 (H) Worker communication and training
11 plans, including certifications provided to work-
12 ers including skills training, worker prepared-
13 ness, government certification programs, and
14 systems or policy orientations.

15 (I) Collective bargaining agreements, in-
16 cluding collective bargaining representative cer-
17 tifications, descriptions of the role of any appli-
18 cable labor organization, and minutes of the
19 meetings of such a labor organization.

20 (J) Contracts with any security agency,
21 and descriptions of the scope of responsibilities
22 of the security agency.

23 (K) Payroll and time records.

24 (L) Production capacity reports.

1 (M) Written human resources policies and
2 procedures.

3 (N) Occupational health and safety plans
4 and records including legal permits, mainte-
5 nance and monitoring records, injury and acci-
6 dent reports, investigation procedures, chemical
7 inventories, personal protective equipment in-
8 ventories, training certificates, and evacuation
9 plans.

10 (O) Disciplinary notices.

11 (P) Grievance reports.

12 (Q) Performance evaluations.

13 (R) Promotion or merit increase records.

14 (S) Dismissal and suspension records of
15 workers.

16 (T) Records of workers who have resigned.

17 (U) Worker pay stubs.

18 (4) CLOSING MEETING WITH MANAGEMENT.—

19 The auditor shall hold a closing meeting with man-
20 agement personnel of the covered business entity
21 to—

22 (A) report violations of child labor laws in
23 the United States, including any Federal or
24 State child labor law, found in any facility of
25 the covered business entity or any supplier or

1 on-site service provider of the covered business
2 entity; and

3 (B) determine the steps forward to address
4 and remediate any such violations.

5 (5) REPORT PREPARATION.—The auditor shall
6 prepare a full report of the audit, which shall in-
7 clude—

8 (A) a disclosure of the suppliers of the cov-
9 ered business entity and on-site service pro-
10 viders of the covered business entity;

11 (B) documented processes and procedures
12 of the covered business entity and any supplier
13 or on-site service provider of the covered busi-
14 ness entity that relate to eradicating unlawful
15 child labor;

16 (C) documented risk assessment and
17 prioritization policies of the covered business
18 entity and any supplier or on-site service pro-
19 vider of the covered business entity as such
20 policies relate to eradicating unlawful child
21 labor;

22 (D) a description of the worker interviews,
23 management interviews, and documentation re-
24 view required under paragraphs (1), (2), and
25 (3), respectively;

1 (E) a description of all violations or sus-
2 pected violations of child labor laws in the
3 United States, including any Federal or State
4 child labor law, by the covered business entity
5 and any supplier or on-site service provider of
6 the covered business entity; and

7 (F) for each violation or suspected viola-
8 tion described in subparagraph (E), a descrip-
9 tion of any corrective or protective action rec-
10 ommended for the covered business entity, sup-
11 plier, or on-site service provider consisting of, at
12 a minimum—

13 (i) the issues relating to, and any root
14 causes of, the violation or suspected viola-
15 tion;

16 (ii) the implementation of a solution
17 to remedy the violation or suspected viola-
18 tion; and

19 (iii) a method to check the effective-
20 ness of such solution.

21 (b) ADDITIONAL REQUIREMENTS RELATING TO AU-
22 DITS.—

23 (1) NO RETALIATION FOR AUDIT COOPERA-
24 TION.—Any covered business entity, supplier of a
25 covered business entity, or on-site service provider of

1 a covered business entity shall not retaliate against
2 any worker for participating in an interview under
3 paragraph (1) or (2) of subsection (a) or providing
4 to an auditor information necessary for the audit re-
5 quirements under subsection (a)(3).

6 (2) CONTRACT REQUIREMENTS.—Each covered
7 business entity shall include, in any contract with a
8 supplier or on-site service provider, a requirement
9 that—

10 (A) the supplier or on-site service provider
11 shall not retaliate against any worker for par-
12 ticipating in an audit relating to unlawful child
13 labor; and

14 (B) worker participation in any such audit
15 shall be protected through the same grievance
16 mechanisms available to the worker for any
17 other type of workplace grievance.

18 **SEC. 4. ENFORCEMENT.**

19 (a) IN GENERAL.—The Secretary may assess civil
20 damages against a covered business entity in an amount
21 of not more than \$100,000,000 if, after notice and an op-
22 portunity for a hearing, the Secretary determines that the
23 covered business entity has violated any requirement of
24 section 2(b).

1 (b) PROHIBITION ON RETALIATION.—The Secretary
2 may assess civil damages against a covered business enti-
3 ty, supplier, or on-site service provider in an amount of
4 not more than \$500,000,000 if, after notice and an oppor-
5 tunity for a hearing, the Secretary determines the covered
6 business entity, supplier, or on-site service provider has
7 willfully violated section 3(b)(1).

8 (c) DECLARATIVE OR INJUNCTIVE RELIEF.—The
9 Secretary may request the Attorney General institute a
10 civil action for relief, including a permanent or temporary
11 injunction, restraining order, or any other appropriate
12 order, in the district court of the United States for any
13 district in which the covered business entity conducts busi-
14 ness, whenever the Secretary believes that a violation of
15 section 2(b) constitutes a hazard to workers.

16 **SEC. 5. REGULATIONS.**

17 Not later than 180 days after the date of enactment
18 of this Act, the Secretary shall promulgate regulations to
19 carry out this Act.

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