



June 3, 2015

**CONFIDENTIAL**

De Nora Tech, Inc.  
Attn: General Counsel  
7590 Discovery Lane  
Painesville, OH 44077-9190

Received

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LEGAL DEPT

RE: The State of California's Transparency in Supply Chains Act

Dear Sir or Madam:

The California Department of Justice has been conducting a compliance review of disclosures by retail sellers and manufacturers pursuant to the California Transparency in Supply Chains Act of 2010 (Sen. Bill No. 657 (Steinberg)). You are receiving this informational letter because De Nora Tech, Inc. may be subject to the Act's disclosure requirements.

This informational letter is not a determination of your company's compliance with, or violation of, the Act. It is, however, notice that your **company must post on its Internet website the required disclosures if it meets the eligibility criteria – namely, if your company is a retail seller or manufacturer doing business in California and has annual worldwide gross receipts that exceed \$100,000,000.** (Cal. Civ. Code, § 1714.43, subd. (a)(1).)

We would also like to inform you of the public release of a guide to assist your company's efforts in complying with the Act. The Department of Justice's publication, *The California Transparency in Supply Chains Act: A Resource Guide*, is available online at: <http://oag.ca.gov/sites/all/files/agweb/pdfs/sb657/resource-guide.pdf>. It contains best practices for companies to consider regarding their disclosures and includes examples of model disclosure practices for the Act's format and content provisions. The Resource Guide's examples are inspired by actual California Transparency in Supply Chains Act disclosures that companies have posted on their websites. The Resource Guide's model disclosures are merely examples. There is no formula for a model disclosure because one size does not necessarily fit all. The best disclosures are those that are specific to the company and explain the company's efforts in clear, concise language.

The Resource Guide does not replace or supersede the Act, nor does it create any enforceable rights. It is not a set of regulations, mandates, legal opinions, or legal advice. While it is meant to be a useful tool for your company, the Resource Guide is not a substitute for the Act's requirements.

In conjunction with the publication of the Resource Guide, the Department of Justice also issued an alert to California consumers regarding the Act. The alert informs consumers about the

Act's provisions and what to look for when they evaluate a company's disclosures. The alert also notifies consumers that they may report suspected violations of the Act to this office. The alert is available online at: <http://oag.ca.gov/sites/all/files/agweb/pdfs/sb657/consumer-alert.pdf>.

The Transparency in Supply Chains Act is the result of the California Legislature's finding that efforts to address the market for goods and products tainted by slavery and trafficking have been lacking. (Sen. Bill No. 657, § 2, subd. (f).) Without publicly available disclosures, the Legislature has determined that consumers are at a disadvantage in either being able to distinguish companies on the "merits of their efforts to supply products free from the taint of slavery and trafficking" or to use their purchasing decisions to force the eradication of slavery and trafficking. (*Id.* at § 2, subd. (i).) As a result, the Act represents the State of California's intent to ensure that large retailers and manufacturers provide consumers with information regarding their efforts to eradicate slavery and human trafficking from their supply chains, to educate consumers on how to purchase goods produced by companies that responsibly manage their supply chains, and, thereby, to improve the lives of victims of slavery and human trafficking. (*Id.* at § 2, subd. (j).)

The Act requires covered retail sellers and manufacturers to post disclosures – applicable to five specific categories – about their efforts to eradicate slavery and human trafficking from their product supply chains. (Cal. Civ. Code, § 1714.43.) As to each, the entity must at a minimum "disclose to what extent, if any," it does the following:

1. **Verification.** Engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The disclosure shall specify if the verification was not conducted by a third party.
2. **Audits.** Conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The disclosure shall specify if the verification was not an independent, unannounced audit.
3. **Certifications.** Requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.
4. **Accountability.** Maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.
5. **Training.** Provides company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.

(Cal. Civ. Code, § 1714.43, subs. (c)(1)-(5).)

The disclosures must be prominently displayed. For those covered retail sellers and manufacturers with Internet websites, they must post the disclosures "with a conspicuous and easily understood link to the required information placed on the business' homepage." (Cal. Civ. Code, § 1714.43, subd. (b).) If a covered retail seller or manufacturer does not have an Internet website, "consumers shall be provided the written disclosure within 30 days of receiving a written request for the disclosure from a consumer." (*Ibid.*)

A covered entity's failure to post the required disclosures is a violation of the Act. This office has the express jurisdictional authority to bring an injunctive relief action for any alleged violation. (Cal. Civ. Code, § 1714.43, subd. (d).)

If your company has posted the required disclosures on its Internet website or, alternatively, takes the position that it is not required to comply with the Act, we request that – within 30 days of this letter's date – you complete the form accessible at <http://oag.ca.gov/sb657> and provide this office with (1) the web links (URLs) to both your company's Transparency in Supply Chains Act disclosures and its homepage containing a link to the disclosures; and/or (2) information demonstrating your company is not covered by the Act. In order to access the response form, please follow the "Compliance Information Submission" link in the Corporate Compliance Portal at <http://oag.ca.gov/sb657>. After completing the form, you can submit the information to this office at the webpage, which will require entering Registration Code URE6RH2S2V at the bottom of the form.

Your compliance with the Act is an important part of California's multi-pronged efforts to address the problem of slavery and human trafficking. To learn more about how slavery and trafficking affect our state and this office's law enforcement and victim-assistance efforts, we invite you to read our topical reports, *The State of Human Trafficking in California 2012* and *Gangs Beyond Borders: California and the Fight Against Transnational Organized Crime* (accessible at <http://oag.ca.gov/human-trafficking/2012> and <http://oag.ca.gov/tco>, respectively).

Should you have any questions with regard to the foregoing, you may contact us by email at [SB657@doj.ca.gov](mailto:SB657@doj.ca.gov).

Sincerely,



ANGELA SIERRA  
Senior Assistant Attorney General  
Civil Rights Enforcement Section