

Report on Supply Chain Compliance Volume 3, Number 20. October 15, 2020

Can the Alien Tort Statute affect supply chains?

By Karen Kroll

On April 24, 2013, the Rana Plaza building in Dhaka, Bangladesh, collapsed, killing more than 1,100 workers and injuring more than 2,500, the [International Labour Organization](#), a United Nations agency, reports.^[1]

The building housed five garment factories that made clothes for many retailers that are household names in the United States. Despite [known safety hazards](#), the factory owner required workers to remain on the job.^[2]

The horrific human toll of the collapse highlighted the responsibility companies have to ensure their vendors treat employees safely and humanely. Not only is it the right thing to do, but [organizations whose suppliers violate human rights](#) risk damage to their own reputations, additional costs and legal actions.^[3]

With modern communication technology, people are more aware of labor and human rights violations, making it harder for companies to ignore wrongdoing, said Masiyiwa-Bernstein Fellow at New York University's Stern Center for Business and Human Rights Isabelle Glimcher.

That's true even when it's a company's suppliers, rather than the company itself, involved in wrongdoing. Consumers increasingly want to patronize organizations whose suppliers comply with human rights or compensation laws, according to the [2019 Sense & Sustainability study](#) from G&S Business Communications.

It's not just consumers who are concerned. Earlier this year, [176 investors representing](#) assets under management of more than USD 4.5 trillion asked the companies that scored poorly on the 2019 Corporate Human Rights Benchmark "to identify and assess adverse human rights risks and impacts in your operations and throughout your business relationships, including throughout your supply chain."^[4]

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)