

ALABAMA COALITION FOR COMMUNITY BENEFITS

September 22, 2022

To: José Muñoz, the CEO of Hyundai Motor North America

We are members of the Alabama Coalition for Community Benefits, which works toward improving working conditions in Alabama manufacturing plants. The members of the coalition represent civil rights groups, faith leaders, labor unions, and Latinx organizations.

In July, we were shocked to read allegations that at least 40 children were making auto parts for Hyundai. That shock turned to disgust when just weeks ago we read allegations of yet more parts, at a second supplier, being made by children—some as young as 12 years old. We are sending this letter to you to protest this apparent use of child labor at SMART Alabama, a subsidiary of Hyundai, and SL Alabama, another Hyundai supplier.

SMART claims it did not knowingly hire children because it used a temporary hiring agency. Companies should take full responsibility for hiring and employment practices, whether they use a temp agency or not.

The Fair Labor Standards Act prohibits the use of child labor in manufacturing. Using subcontractors to avoid the responsibility to provide a safe and legal work environment is incompatible with Hyundai's own stated belief in its corporate responsibility to communities. The recent exposure of children working at the SMART plant would be a clear violation of the Fair Labor Standards Act and would put children in the kinds of dangerous jobs that can cost workers their lives.

We support the Department of Labor investigations at SMART and SL and demand that any and all use of child labor cease immediately. Going forward, there must be ongoing monitoring by our community so we can be sure SMART and SL stop this abhorrent practice. Third-party monitoring is consistent with Hyundai's Supplier Code of Conduct¹. Two reports of child labor in one month suggest a widespread problem that needs to be investigated, with transparent reporting to the community. The state of Alabama has provided Hyundai and its suppliers with enormous tax incentives for locating operations in our communities. And in return, the people of Alabama have a right to expect these companies to follow both the letter and spirit of basic labor law.

We will be encouraging regulators and lawmakers to hold all corporations in our state accountable by limiting or revoking the availability of tax incentives to any companies found to engage in abusive practices. Our tax money should not be provided to companies that exploit workers, especially children.

We will continue to use our voice and influence to publicly hold Hyundai, SMART and SL accountable. Any and all use of child labor must end, and restitution must be made to any children or families who were exploited. It is not lost on us that SMART likely knew many of these families hesitate to report alleged violations due to their immigration status. Our coalition exists because this is too often how companies behave when our communities are not in a position

¹ <https://s7g10.scene7.com/is/content/hyundaiautoever/hyundai-supplier-code-of-conduct-eng-2021pdf>
"Suppliers should provide evidence of compliance with this Supplier Code of Conduct during regular written assessments or on-site visits carried out by Hyundai and Kia or designated third parties."

to hold them accountable. *We call on Hyundai and SMART to negotiate a Community Benefits Agreement with the community that will enshrine their high-road commitment to workers and their communities in an enforceable agreement as New Flyer of America (another vehicle manufacturer) recently did in Anniston, Alabama.*

Alabama is a great state. But we are making national news because of corporations that profit at the expense of our most vulnerable people. Our communities deserve better: **Any and all abusive labor practices, including child labor, must stop NOW.**

Jobs to Move America

Alabama Arise

Greater Birmingham Ministries

Hometown Action

United Auto Workers

GASP

Central Alabama Labor Council

Black Lives Matter

Faith in Action Alabama

Poor People's Campaign

Alabama Interfaith Power & Light

The People's Justice Council

Communications Workers of America

Coosa Riverkeeper

Alabama Forward

Hispanic Interest Coalition of Alabama

Alabama Coalition for Immigrant Justice

IBEW

RWDSU

United Steelworkers of America

AFL-CIO

Alabama Sierra Club

NAACP Alabama State Conference

Alabama AFL-CIO

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