

# Letter to Hyundai from Alabama and Georgia Communities

**DATE:** August 27, 2023

**TO:** Hyundai Motor America CEO José Muñoz

**FROM:** The Alabama Coalition for Community Benefits, Georgia Labor and Community Allies

**SUBJECT:** Meeting to Discuss Solutions to Labor Problems in Hyundai's Supply Chain

Dear Mr. Muñoz,

We are members of the Alabama Coalition for Community Benefits and labor and community allies in Georgia. The Alabama Coalition of Community Benefits 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. We are joined by our neighbors in Georgia, who are beginning to experience the impact of your company in their communities as well.

Last September the Alabama Coalition for Community Benefits reached out to you to ask for a meeting to discuss the reported child labor violations at your suppliers<sup>1</sup>. Please find attached our letter dated September 22, 2022. Since we did not hear back from you, we are reaching out again. We are requesting a meeting in September to discuss the solutions we can achieve together through a Community Benefits Agreement ("CBA").

A CBA is a private contract between community groups and an employer designed to achieve new job standards and equity measures. Its provisions may be enforced through binding arbitration. CBAs can transform communities by building fairer local economies, holding companies accountable and advancing racial and gender equity.

Hyundai will ultimately employ more than 30,000 workers in the US, directly or through JV partners with its plants in Alabama and Georgia. Hyundai also has a vast supply chain that includes more than 60 plants and many more workers in both states. These facilities will transform our communities, and we are faced with a once-in-a-lifetime opportunity to ensure that this transformation is for the best. We are deeply concerned about Hyundai's recent track record

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<sup>1</sup> (2022) Child workers found throughout Hyundai-Kia supply chain in Alabama. Reuters Investigates. Available at: <https://www.reuters.com/investigates/special-report/usa-immigration-hyundai/>.

with child labor in its supply chain in the US; allegations of immigrant rights abuses and racial discrimination against suppliers; use of prison labor by suppliers, and retention of an irresponsible contractor in the building of the metaplant.

We support the Department of Labor investigations at SMART Alabama, LLC (“SMART AL”) and SL Alabama, LLC (“SL AL”) and demand that any and all use of child labor by your suppliers cease immediately. Simply severing ties with two such suppliers is not what is needed. Going forward, there must be ongoing monitoring by our community so we can be sure SMART AL and SL AL stop this abhorrent practice. Third-party monitoring is consistent with Hyundai’s Supplier Code of Conduct<sup>2</sup>. Reuters’ reports together with other investigations and litigation suggest a widespread problem with worker exploitation that needs to be investigated, halted, and prevented in the future through 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.

Hyundai Motor Group Metaplant America (HMGMA) at the Bryan County Megasite in Georgia is the largest economic development project in the state’s history. Hyundai is set to receive \$1.8 billion in incentives for the project. Together with the nearby joint venture battery facility with LG Energy, these projects are expected to employ 8,100 workers, in addition to the 4,650 related jobs already announced by suppliers. These developments will transform our state, and they must come with binding commitments to benefit our communities. Already, we are mourning the loss of a construction worker who fell to his death while building the new metaplant.

To that end, we call on Hyundai, SMART AL, SL AL, and the participants in the Metaplant, including your joint venture partners, to negotiate a Community Benefits Agreement with our coalition of community representatives which will enshrine high-road commitments to workers and their communities in an enforceable agreement, as New Flyer of America, Inc. (another vehicle manufacturer) did last year in Anniston, Alabama.

We look forward to hearing from you about your availability to discuss how we can work together.

Sincerely,

Jobs to Move America

Georgia AFL-CIO

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<sup>2</sup> (2021) Hyundai Motor Company and Kia Supplier Code of Conduct. "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." Available at: <https://s7g10.scene7.com/is/content/hyundai/ever/hyundai-supplier-code-of-conduct-eng-2021.pdf>.

Alabama Appleseed Center for Law and Justice	Alabama Arise
Immigrant Alliance for Justice and Equity	Alabama State Conference of the NAACP
Alabama Forward	United Auto Workers
International Brotherhood of Electrical Workers	Coosa Riverkeeper
Faith in Action Alabama	The People's Justice Council
Greater Birmingham Ministries	Central Alabama Labor Council
Greater-Birmingham Alliance to Stop Pollution	Hometown Action
Alabama Coalition for Immigrant Justice	Alabama Interfaith Power and Light
OPCMIA Local 148 Southeast Region	Savannah Regional CLC
Georgia State Building and Construction Trades Council	Atlanta North Georgia Labor Council
Southern States Millwright Regional Council	The Georgia Latino Alliance For Human Rights
The International Union of Painters and Allied Trades District Council 77 (IUPAT DC77)	

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