

Insights, News & Events

# NEW CALIFORNIA LAW ENACTS REQUIREMENTS FOR VOLUNTARY SOCIAL COMPLIANCE AUDITS: 5 THINGS EMPLOYERS MUST REPORT

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California will soon require businesses to publicly share results of voluntary, non-governmental social compliance audits. Governor Newsom just signed Assembly Bill 3234 into effect on September 22, which outlines reporting requirements for employers that choose to conduct social compliance audits and requires them to post the audit results to a conspicuous link on their website. The new legislation will go into effect January 1, 2025 – so what must five things must employers include in audit reports?

## “Social Compliance Audit” Defined by California’s New Law

**AB 3234** defines a “social compliance audit” as a “voluntary, nongovernmental inspection or assessment of an employer’s operations or practices to evaluate whether the operations or practices are in compliance with state and federal labor laws, including, but not limited to, wage and hour and health and safety regulations, including those regarding child labor.”

- **Child** is defined as “a natural person under 18 years of age.”
- **Child Labor** means “any work performed by a child in violation of state or federal law.”

There is no requirement under the new law for your business to conduct a social compliance audit. However, if you choose to conduct such an audit, you will be subject to the reporting requirements set forth in AB 3234.

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## Compliance for Employers: 5 Things You Must Include in Your Audit Report

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AB 3234 will become law on January 1, 2025. The legislation, authored by Assemblymember Liz Ortega (D), requires that an employer “shall post a clear and conspicuous link to a report detailing the findings of its most recent social compliance audit on the internet website for their business, if the employer has voluntarily subjected that business to a social compliance audit.”

AB 3234 defines “clear and conspicuous” as “in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks that call attention to the language.”

So if you choose to audit your business for social compliance, what five things must you include in your report?

1. The **year, month, day, and time** that the audit was conducted, and whether the audit was conducted during a day or night shift.
2. Whether the business does or does not engage in, or support the use of, **child labor**.
3. A copy of any **written policies and procedures** the business has regarding child employees.
4. Whether the business exposes children to any workplace situations that are **hazardous or unsafe** to their physical and mental health and development.
5. Whether children work within or outside **regular school hours**, or during night hours, for the business.

### Conclusion

Fisher Phillips is ready and available to help your business with its social compliance audit and reporting requirements. If you have any questions or concerns, or are interested in compliance assistance, please contact your Fisher Phillips attorney, the author of this Insight, or any attorney in any of our [California offices](#). Fisher Phillips will continue to monitor workplace law developments and provide any necessary updates, so ensure you subscribe to the [Fisher Phillips Insight System](#) to get the latest important information.

