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**SUBSTITUTE SENATE BILL 5541**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senate Labor & Commerce (originally sponsored by Senators Dhingra, Keiser, Hasegawa, Lovelett, Salomon, Stanford, Trudeau, Valdez, and C. Wilson)

READ FIRST TIME 02/15/23.

1 AN ACT Relating to transparency in supply chains; amending RCW  
2 19.320.010; adding new sections to chapter 19.320 RCW; creating a new  
3 section; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that there is a need  
6 to ensure that large retailers and manufacturers provide consumers  
7 with information regarding their efforts to eradicate slavery and  
8 human trafficking from their direct operations and supply chains,  
9 educate consumers on how to purchase goods produced by companies that  
10 responsibly manage their supply chains, and, thereby, contribute  
11 towards the reduction and eradication of all forms of modern slavery  
12 and human trafficking.

13 The legislature further finds that in order to provide consumers  
14 with this critical information and to allow consumers to make more  
15 educated purchasing decisions, it is necessary to post information by  
16 companies that meet certain criteria to ensure they are disclosing  
17 their efforts to help eradicate human trafficking and slavery within  
18 their supply chains on their website or through written disclosures.

19 The legislature finally finds, absent publicly available  
20 disclosures, consumers are at a disadvantage in being able to  
21 distinguish companies on the merits of their efforts to supply

1 products free from the taint of slavery and trafficking and that  
2 consumers and businesses may inadvertently promote and sanction these  
3 crimes through the purchase of goods and products that have been  
4 tainted in the supply chain.

5 **Sec. 2.** RCW 19.320.010 and 2016 c 4 s 1 are each amended to read  
6 as follows:

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly requires otherwise.

9 (1) "Any person" means adults and children of any nationality.

10 (2) "Domestic employers of foreign workers" or "domestic  
11 employer" means a person or persons residing in the state of  
12 Washington who recruit or employ a foreign worker to perform work in  
13 Washington state.

14 (3) "Forced labor" means all work or service which is exacted  
15 from any person under the menace of any penalty and to which the  
16 person has not offered himself or herself voluntarily.

17 (4) "Foreign worker" or "worker" means a person who is not a  
18 citizen of the United States, who comes to Washington state based on  
19 an offer of employment, and who holds a nonimmigrant visa for  
20 temporary visitors.

21 (5) "Human trafficking" or "trafficking" means an act conducted  
22 for the purpose of exploitation, including forced labor, by  
23 particular means, for example threat of use of force or other forms  
24 of coercion, abduction, fraud or deception, abuse of power, or abuse  
25 of position of vulnerability.

26 (6) "International labor recruitment agency" means a corporation,  
27 partnership, business, or other legal entity, whether or not  
28 organized under the laws of the United States or any state, that does  
29 business in the United States and offers Washington state entities  
30 engaged in the employment or recruitment of foreign workers,  
31 employment referral services involving citizens of a foreign country  
32 or countries by acting as an intermediary between these foreign  
33 workers and Washington employers.

34 (7) "Manufacturer" has the same meaning as in RCW 82.04.110.

35 (8) "Menace of any penalty" means all forms of criminal sanctions  
36 and other forms of coercion, including threats, violence, retention  
37 of identity documents, confinement, nonpayment or illegal deduction  
38 of wages, or debt bondage.

1        ~~((8))~~ (9) "Retail seller" means a person engaging in the  
2 business of making sales at retail within Washington state.

3        (10) "Sale at retail" has the same meaning as in RCW 82.04.050.

4        (11) "Supplier" means an individual, business, or entity in any  
5 form, that is contracted by a retail seller or manufacturer for the  
6 supply of goods.

7        (12) "Supplier code of conduct" means the minimum requirements  
8 regarding fair and safe labor practices that suppliers must meet to  
9 sell goods to or do business with a retail seller or manufacturer.

10       (13) "Work or service" means all types of work, employment, or  
11 occupation, whether legal or not.

12       NEW SECTION.    **Sec. 3.** A new section is added to chapter 19.320  
13 RCW to read as follows:

14       (1) Every retail seller and manufacturer doing business in  
15 Washington state and having annual worldwide gross receipts of  
16 \$100,000,000 or more must disclose, as set forth in subsection (2) of  
17 this section, its efforts to eradicate human trafficking and forced  
18 labor from its direct supply chain for tangible goods offered for  
19 sale.

20       (2) The disclosure required in subsection (1) of this section  
21 must, at a minimum, disclose to what extent, if any, the retail  
22 seller or manufacturer does each of the following:

23       (a) Engages in verification of product supply chains to evaluate  
24 and address risks of human trafficking and forced labor. The  
25 disclosure must specify which tiers of suppliers have been verified  
26 if the verification was not conducted by a third party;

27       (b) Conducts third-party assessments of suppliers to evaluate  
28 supplier compliance with retail seller's or manufacturer's standards  
29 for human trafficking and forced labor in supply chains. The  
30 disclosure must specify if the verification was not an independent,  
31 unannounced audit;

32       (c) Requires direct suppliers to certify that materials  
33 incorporated into the product comply with the laws regarding human  
34 trafficking and forced labor of the country or countries in which the  
35 direct suppliers are doing business;

36       (d) Maintains internal accountability standards, a supplier code  
37 of conduct, and procedures for employees or contractors failing to  
38 meet a retail seller's or manufacturer's standards regarding human  
39 trafficking and forced labor in its direct supply chain; and

1 (e) Provides retail seller's or manufacturer's employees and  
2 management, who have direct responsibility for supply chain  
3 management, training on human trafficking and forced labor,  
4 particularly with respect to mitigating risks within the supply  
5 chains of products.

6 (3) The disclosure described in subsection (2) of this section  
7 shall be posted on the retail seller's or manufacturer's website with  
8 a conspicuous and easily understood link to the required information  
9 placed on the retail seller's or manufacturer's homepage. In the event  
10 the retail seller or manufacturer does not have a website, the retail  
11 seller or manufacturer must provide consumers with a written  
12 disclosure within 30 days of receiving a written request for the  
13 disclosure from a consumer.

14 (4) The exclusive remedy for a violation of this section shall be  
15 an action brought by the attorney general for injunctive relief.  
16 Nothing in this section shall limit remedies available for a  
17 violation of any other state or federal law.

18 NEW SECTION. **Sec. 4.** A new section is added to chapter 19.320  
19 RCW to read as follows:

20 (1) By November 30, 2025, and by November 30th each year  
21 thereafter, the department of revenue must submit to the attorney  
22 general and legislature a list of noncompliant retail sellers and  
23 manufacturers required to disclose efforts to eradicate human  
24 trafficking and forced labor under section 3 of this act.

25 (2) Each list required by this section must include the following  
26 information for each retail seller or manufacturer:

- 27 (a) Entity name; and
- 28 (b) Washington unified business identifier number.

29 NEW SECTION. **Sec. 5.** This act takes effect January 1, 2025.

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