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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)

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

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

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

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

The legislature finally finds, absent publicly available disclosures, consumers are at a disadvantage in being able to distinguish companies on the merits of their efforts to supply products free from the taint of slavery and trafficking and that consumers and businesses may inadvertently promote and sanction these crimes through the purchase of goods and products that have been tainted in the supply chain.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Entity name; and

(b) Washington unified business identifier number.

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

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