

# STATE OF NEW YORK

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3506

2023-2024 Regular Sessions

## IN ASSEMBLY

February 3, 2023

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Introduced by M. of A. ZEBROWSKI, KELLEES -- read once and referred to the Committee on Economic Development

AN ACT to amend the economic development law, in relation to establishing the Supply Chain Transparency Assistance Program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings. The Legislature finds and declares  
2 the following:

3 1. The climate crisis is an immediate and urgent threat, and New York  
4 State is and must continue to be a leader in addressing it. New York has  
5 a statutory goal of achieving net-zero greenhouse gas emissions econo-  
6 my-wide by 2050. However, that goal does not include greenhouse gas  
7 emissions created outside of New York in the extraction, production, and  
8 transport of the goods we purchase. Currently, eight global supply  
9 chains - food, construction, fashion, fast-moving consumer goods, elec-  
10 tronics, automobiles, professional services, and freight - account for  
11 over half of greenhouse gas emissions annually. Increasing supply chain  
12 transparency and traceability is an important part of fighting climate  
13 change and moving global production toward more environmentally sustain-  
14 able practices.

15 2. The International Labor Organization estimates that over 25 million  
16 people are currently caught in forced labor, 4 million of whom are chil-  
17 dren. Over 160 million children between the ages of five to seventeen  
18 are engaged in child labor in 2021, and about 79 million of those are  
19 estimated to be engaged in hazardous labor. Across the United States,  
20 Canada and the European Union there are estimated to be 1.5 million  
21 people trapped in forced labor, while millions of other people live  
22 trapped in forced labor across the Asia-Pacific region, Africa, Latin  
23 America and the Middle East. The fruit of such forced labor, as well as  
24 additional health and safety risks and other impacts from substandard  
25 labor practices, can potentially be found in many of the goods we

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 consume, making it incumbent on businesses to take action to ensure  
2 ethical labor practices throughout their supply chains.

3 3. Businesses throughout the United States and across the world are  
4 increasingly engaged in efforts to ensure their supply chains are trans-  
5 parent, traceable, ethical, and environmentally sound, whether in  
6 reaction to consumer pressure or government regulation, or out of an  
7 understanding of corporate social responsibility. Businesses that  
8 achieve ethical and sustainable supply chains may also be able to  
9 increase their appeal with certain consumers, charge premium prices, or  
10 access previously untapped markets as a result of their efforts. In  
11 order to remain competitive, New York businesses, particularly small and  
12 medium-sized businesses and minority- and women-owned businesses, must  
13 be able to take advantage of and stay ahead of this socially responsible  
14 and beneficial trend.

15 4. It is therefore the intent of the Legislature to create a Supply  
16 Chain Transparency Assistance Program to encourage the shifting of the  
17 state's economy toward more ethical and sustainable supply chains, while  
18 ensuring New York businesses have the tools they need to compete in the  
19 national and global marketplace.

20 § 2. The economic development law is amended by adding a new article  
21 27 to read as follows:

## 22 ARTICLE 27

### 23 SUPPLY CHAIN TRANSPARENCY ASSISTANCE PROGRAM

#### 24 Section 500. Definitions.

##### 25 501. The supply chain transparency assistance program.

##### 26 § 500. Definitions. For purposes of this article:

27 1. "Small business" means small business as defined in section one  
28 hundred thirty-one of this chapter.

29 2. "Medium-sized business" shall mean a business that is resident in  
30 this state, independently owned and operated, not dominant in its field,  
31 and employs between one hundred and five hundred persons.

32 3. "Eligible business" shall mean any small and medium-sized business  
33 as defined in this article, and any minority-owned or women-owned busi-  
34 ness enterprise as defined in article fifteen-a of the executive law.

35 4. "Supply chain" shall mean a system of extraction, production,  
36 transportation, and distribution involving multiple processes, organiza-  
37 tions, individuals, and resources, beginning with raw materials and  
38 culminating in the delivery of a product or service to a consumer.

39 § 501. The supply chain transparency assistance program. 1. The  
40 department is hereby authorized and directed, within one year of the  
41 effective date of this article, to establish, develop, implement, and  
42 maintain, within available appropriations, a supply chain transparency  
43 assistance program to assist small and medium-sized businesses and  
44 minority- and women-owned businesses in achieving supply chains that  
45 are:

46 (a) Transparent, meaning a supply chain for which sufficient informa-  
47 tion has been disclosed regarding all relevant units of production from  
48 the raw material stage to the delivery of a product or service to a  
49 consumer, including, but not limited to, extraction sites, suppliers,  
50 manufacturers, transporters, wholesalers, and retailers, to allow  
51 consumers to determine whether the supply chain is ethical and sustaina-  
52 ble.

53 (b) Traceable, meaning a supply chain for which distributors, retail-  
54 ers, and other businesses down the supply chain are able to gather  
55 sufficient relevant information regarding all units of production

1 further up the supply chain to determine whether a supply chain is  
2 ethical and sustainable.

3 (c) Ethical, meaning a supply chain that upholds the human rights and  
4 all other legal rights, supports the well-being, and prevents the  
5 exploitation, of workers and communities, and guarantees the free,  
6 prior, and informed consent, land, and other legal rights of affected  
7 Indigenous peoples and other local and traditional communities.

8 (d) Sustainable, meaning a supply chain that takes all necessary meas-  
9 ures to avoid, minimize, and reduce degradation of natural environmental  
10 systems, and maximizes efforts to contribute to the restoration and  
11 regeneration of impacted ecosystems.

12 2. The purpose of such program shall be to:

13 (a) Develop and share best practices and provide technical assistance  
14 to help participating eligible businesses develop and implement stand-  
15 ards, plans, and benchmarks for transparency and traceability, environ-  
16 mental sustainability, and ethical practices throughout their supply  
17 chains.

18 (b) Assist participating eligible businesses with compliance with  
19 supply chain related regulations, procurement standards, or contracting  
20 requirements.

21 (c) Identify funding streams, grant monies, financial assistance and  
22 other resources that may be available to help participating eligible  
23 businesses achieve transparent, traceable, ethical, and sustainable  
24 supply chains.

25 (d) Help participating eligible businesses with marketing, communi-  
26 cation, and other activities to achieve maximum competitive advantage  
27 from their transparent, traceable, ethical, and sustainable supply  
28 chains.

29 (e) Conduct market analysis to identify opportunities for participat-  
30 ing eligible businesses to access new markets and increase competitive-  
31 ness through achieving transparent, traceable, ethical, and sustainable  
32 supply chains.

33 (f) Conduct outreach to promote awareness of the program among eligi-  
34 ble businesses, business organizations, and regional and local economic  
35 development agencies.

36 § 3. This act shall take effect immediately.