

Walmart's Unsustainable and Unethical Canned Tuna Procurement

Walmart is a major buyer and seller of canned tuna products. In the U.S., Walmart represents nearly one quarter of canned tuna sales. However, Walmart leadership has failed to create comprehensive procurement policies that ensure its Great Value house brand and national brand tuna products are sustainable and ethically sourced from sea to its customers' hands. Greenpeace has launched a cross-border (U.S. and Canada) campaign targeting Walmart for its refusal to strengthen its tuna sourcing policies and practices, causing ongoing destruction and waste of ocean life, including at-risk species, through the sourcing methods it relies on, as well as the risk of human rights and labor abuses plaguing the company's supply chains. Greenpeace is calling on Walmart to use its buying power to help transform the tuna industry.

Problems with Walmart's Canned Tuna Supplier

Walmart's Great Value brand canned tuna is supplied by Thai Union Group (TU), the world's largest producer of tuna and the focus of Greenpeace's global campaign. TU is a Thailand-based producer, distributor, and exporter of frozen and canned seafood products. TU produces 18 percent of the world's annual volume of 1.6 million tonnes of canned tuna,¹ and 1 in 5 cans found on supermarket shelves around the world are supplied by this company. TU owns a number of popular national brands such as Chicken of the Sea in the U.S., and also supplies well-known retailer and national brands. Worldwide, 61 percent of TU's tuna goes into its own branded products, and 39 percent supplies the other brands, including Walmart's Great Value.²

Labor and human rights concerns

Over the past few years, a series of investigations have exposed an out of control global seafood industry that exploits workers, both at sea and on land. Investigations by the Associated Press³ and New York Times⁴ revealed human trafficking, forced labor, and inhumane working conditions in some of TU's supply chains.

The Thai industry in particular is on the radar for being notably problematic. The U.S. 2015 *Trafficking In Persons Report*⁵ maintained Thailand at Tier 3, its lowest level, for the second year in a row, and a decision is pending by the EU whether to ban trade. Though Thai Union has given increased attention to its Thai and related supply chains,

¹ TUF 3Q2014 Results Presentation, 14 November 2014. Accessed 9 September 2015 at <http://tuf.listedcompany.com/misc/PRESN/20141113-tuf-results-presentation-3q2014-02.pdf>

² Thai Union Frozen Products PLC, Annual Report 2014, p. 22-3

³ <http://www.ap.org/explore/seafood-from-slaves/ap-investigation-slaves-may-have-caught-the-fish-you-bought.html>

⁴ http://www.nytimes.com/2015/07/27/world/outlaw-ocean-thailand-fishing-sea-slaves-pets.html?smid=pl-share&_r=1

⁵ <http://www.state.gov/j/tip/rls/tiprpt/2015/>

its global supply chains have not been afforded the same attention, including its links to the Taiwanese tuna fishing fleet that has also been linked to abhorrent and alarming treatment of workers. Greenpeace East Asia conducted an investigation highlighting these concerns in a new report.⁶

The risk of worker abuse and exploitation is also present in the wider tuna industry. As vessels travel farther out to sea for longer periods to chase dwindling fish stocks, they are increasingly relying on human trafficking and forced labor to maintain profit margins and meet global demand for inexpensive seafood. Crews can become trapped on board fishing vessels that remain at sea for many months or even years at a time with no means of escape. This allows abusive working conditions and destructive, illegal fishing to continue out of sight of authorities.

Greenpeace interviewed Pacific tuna fishermen, documenting accounts of human rights abuse, drug trafficking, and pirate fishing.⁷ Workers reported being forced to work 20 hour days, seven days a week for little or no pay, being deprived of adequate food and clean drinking water, and being subjected to regular beatings and violence for working too slowly or making mistakes. Seafood workers are murdered at sea or die under these inhumane conditions regularly.⁸

Walmart has been named in multiple scandals in other seafood supply chains.^{9,10} The company's current policies and initiatives aimed at eliminating human rights and labor concerns are clearly not adequate to avoid suppliers with links to these issues. Questions remain unanswered about the company's assessment of its tuna supply chains.

Human rights scandals can tarnish a company's reputation and jeopardize customer, investor, and employee loyalty. Most people expect companies to bear responsibility for reducing human rights abuses, and ignoring this widely held presumption may come at a high cost.¹¹ Legal action and declining stock prices have been two outcomes of companies not taking this matter seriously. For example, Nestlé was charged under the California Supply Chain Transparency Act in relation to pet food sourced with tuna and

⁶ <http://www.greenpeace.org/international/en/publications/Campaign-reports/Oceans-Reports/Made-in-Taiwan/>

⁷ www.greenpeace.org/usa/these-are-the-videos-the-tuna-industry-doesnt-want-you-to-see/

⁸ <http://www.nytimes.com/2015/07/20/world/middleeast/murder-at-sea-captured-on-video-but-killers-go-free.html>

⁹ <http://bigstory.ap.org/article/b9e0fc7155014ba78e07f1a022d90389/ap-investigation-are-slaves-catching-fish-you-buy>

¹⁰ <http://bigstory.ap.org/article/0d9bad238bc24a059beeb4041aa21435/ap-global-supermarkets-selling-shrimp-peeled-slaves>

¹¹ According to GlobeScan's 2005 CSR Monitor, an annual 20-country public opinion survey on the changing expectations of companies, more than 80% of the 21,000 people surveyed hold large companies partially responsible for reducing human rights abuses. Chris Coulter, Vice President of GlobeScan, says, "societal expectations for companies in this area are significant. For example, public expectations for reducing human rights abuses is greater than for corporate philanthropy."

other seafood supplied by Thai Union.¹² Human rights abuse has been associated with negative stock performance for US and UK firms;¹³ a lesson Costco learned when its share price fell 1.4 percent (significant for a company this size) the day a class action lawsuit was announced claiming business fraud and false advertising over the sale of prawns allegedly farmed by forced labor.¹⁴ Costco's stock declined nine percent over subsequent days, further impacting shareholders' value.

As Greenpeace works to urge major buyers and sellers of tuna to play their role in cleaning up the dirty secrets associated with the industry, we will continue to expose companies failing to live up to their obligation. This includes ensuring relevant incidents are reported to human rights initiatives such as the Corporate Human Rights Benchmark.¹⁵

Destructive fishing methods and overfishing

Walmart's Great Value and most national brand tuna comes from unsustainable and destructive fisheries. Thai Union has been coined a "keystone actor in marine ecosystems," responsible for a disproportionately large impact on our oceans.¹⁶ From sourcing tuna from stocks that have been significantly overfished, to relying on fishing methods that are wasting marine life at alarming rates, catching juvenile tuna from vulnerable stocks, and further threatening at-risk species, TU's ecological footprint is enormous and so is Walmart's.

The bulk of the tuna sourced by Walmart is caught by conventional longlines (not employing bycatch mitigation devices) and purse seines using fish aggregating devices (FADs). Sharks, sea turtles, seabirds, billfish, and numerous other fish species are often killed by one or both of these indiscriminate fishing methods. As such, both methods are red-rated by Greenpeace and not considered sustainable by other groups including the Monterey Bay Aquarium Seafood Watch Program, SeaChoice, Marine Conservation Society, and The Safina Center.

Overfishing, wasteful fishing practices like shark finning, and illegal fishing operations are often intertwined with unjust labor conditions and human rights abuses. Unless Walmart strengthens both the sustainability and social responsibility side of its tuna sourcing requirements, its customers cannot be assured concerns in both regards have been addressed.

¹² *Melanie Barber et al v. Nestle USA, Inc. et al*, Filed the Central District Court of California on August 27, 2015; Case 8:15-cv-01364.

¹³ <http://feemdeveloper.net/attach/Peter%20Schmidt.pdf>

¹⁴ <http://www.theguardian.com/global-development/2015/aug/19/costco-cp-foods-lawsuit-alleged-slavery-prawn-supply-chain>

¹⁵ <http://business-humanrights.org/en/corporate-human-rights-benchmark-0/about-the-benchmark/2016-pilot-benchmark/2016-pilot-companies>

¹⁶ "Transnational Corporations as 'Keystone Actors' in Marine Ecosystems" by Henrik Osterblom, Plos One, May 2015

Walmart: More Action, Less Talk about CSR

Walmart has shirked responsibility to adopt improved procurement policies and drive change throughout its global supply chains. As the demand for more responsible products grows, Walmart may be left behind by other retailers willing to offer their customers only more sustainable and ethical options. In addition to a growing number of more sustainable options offered through retailers' own brands in Canada and the U.S., major players in other markets are also cleaning up their tuna aisles. Tesco, the largest retailer in the UK, recently made headlines for demanding that destructive canned tuna brand John West – also owned by Thai Union – either supply more responsible products or be dropped from Tesco store shelves.¹⁷ This kind of leadership benefits workers, oceans, and consumer confidence.

Walmart has an added responsibility to take swift action to prevent human rights abuse and support more responsible fishing in its supply chains. Walmart can and must use its buying power to improve the global tuna industry, including impacting the way tuna is caught. This begins by demanding more sustainable, ethical tuna from TU. Thai Union should embrace solutions including using better, lower-impact fishing methods and working to ensure more oversight, transparency, and traceability from the vessels at sea to the factories on land that supply Walmart stores. A strong public-facing policy can help to assure customers, employees, and shareholders of the necessary steps being taken. Until that time, Walmart's brand, reputation, and profits remain at risk.

The Time is Now to Make a Better Walmart

As Walmart leadership and staff convene for the 2016 annual shareholders meeting, key stakeholders including the public, customers, and shareholders can join over 70,000 people already calling on Walmart to live up to its social responsibility and sustainability commitments. As important stakeholders, they have an opportunity to ask Walmart to put people and our planet first, improving Walmart's operations and influencing a global system that delivers enormous amounts of tuna to families across the U.S. and Canada.

¹⁷ <http://www.thetimes.co.uk/article/john-west-faces-ban-for-harmful-fishing-wlgr9fgt>