

Core Principles to Ensure Basic Labor Standards in Walmart's Supply Chain

Workers' Response to the Failure of Walmart's Supply Chain Monitoring

Walmart is the largest retailer and the largest private-sector employer on earth, with more than 10,000 retail locations and \$15 billion in annual profit. Walmart's labor practices and standards affect the lives not only of its 2.2 million direct employees, but also of millions more workers in its global supply chain. And while Walmart claims that its "Standards for Suppliers" and third-party monitoring system keep workers safe, supply chain workers themselves tell a different story:

- In November 2012, a horrific fire ripped through a Bangladesh factory that produced clothing for Walmart, killing 112 workers. *The New York Times* reported on how Walmart played the lead role in blocking increased fire safety protections at Bangladeshi garment factories the year before, claiming the cost would be too high.
- In June 2012, H-2B guestworkers exposed forced labor at a Walmart seafood supplier in Louisiana called C.J.'s Seafood. The guestworkers faced brutal conditions including threats of deportation and violence against themselves and their families to suppress complaints. When the workers exposed the forced labor, Walmart dispatched "third-party" auditor, Accordia Global Compliance Group, to spend a single day at the worksite, then claimed it had found no evidence of abuse and attempted to mislead the press about the status of federal investigations—without the auditors having spoken to any of the whistleblowers who exposed the abuse. Only after massive public outcry did Walmart end its contract with the supplier.
- In September 2012, workers in Southern California marched 50 miles for six days on a pilgrimage to draw attention to poor safety conditions inside domestic warehouses including extreme temperatures, broken equipment and lack of access to drinking water. Workers in Walmart -contracted warehouses in Southern California and Chicago also held a series of strikes throughout the fall to protest retaliation they experienced when speaking out against unsafe working conditions. Walmart initially denied the allegations in the press, but in October agreed to meet with warehouse workers. The National Labor Relations Board continues to investigate federal charges, and the California Division of Occupational Safety and Health cited the warehouse company for numerous health and safety violations in December further vindicating workers.
- In January, an article in the *Wall Street Journal* detailed Walmart's plans to beef up its domestic monitoring program in response to workers' actions, but workers have not seen substantive changes. In January the state of California ordered a Southern California warehouse that

- processes merchandise for Walmart and other retailers to pay 865 workers more than \$1 million in stolen wages. The California Division of Labor Standards Enforcement issued the citations against Quetico, LLC, a large warehouse complex in Chino, California, for nonpayment for time worked, missed lunch periods, faulty warehouse time clocks, and company adjustments to workers' pay stubs that reduced their pay.
- As a result of employee lawsuits in U.S. District Court over minimum wage violations, missing pay for time worked, unpaid overtime and other issues, contractors at a Walmart-owned warehouse in Elwood, Illinois were compelled to pay back more than \$700,000 in wages stolen during 2012. Although workers at the warehouse filed a formal ethics complaint with Walmart in February 2012 under the company's Standards for Suppliers policy, incidents of wage theft, gender discrimination, health and safety violations and illegal retaliation have continued. In September 2012 several workers were fired after they raised issues of ongoing wage theft and safety risks to the contractors and to Walmart. In response, workers waged a three-week strike. The National Labor Relations Board found merit to worker charges of unlawful retaliation.

Walmart has shown a willingness to accept responsibility for conditions in its supply chain, but as these cases and others show, Walmart's own solutions fail to uphold its basic standards and the law.

In response, workers from Walmart's supply chain in the U.S. have united around a common solution: Walmart must commit to taking responsibility for its supply chain and work with stakeholder groups and workers to ensure and protect the basic rights and safety of the workers who labor to produce and transport the merchandise that arrives on its shelves every day.

Walmart must work with workers in each facet of its supply chain to ensure dignity and safety.

Because multiple industries make up the Walmart supply chain, different protections are required to ensure workers in each link are protected, that standards are enforceable and credible and that workers have a voice in the process.

→ Garment workers in Bangladesh are demanding Walmart enter into a fire safety agreement so that not one more worker dies to produce profits for Walmart and other global brands. They are also demanding that Walmart compensate the victims who died making their clothes.

→ Guestworkers in the seafood processing industry are demanding an agreement that would end forced labor in Walmart's supply chain including protections from immigration-based retaliation and guarantees of the right to organize.

→Workers in Walmart contracted warehouses are responding to Walmart's Standards for Suppliers by calling for additional protections that are enforceable, credible and involve workers in a meaningful way.

Workers are uniting across Walmart's supply chain to support one another and win dignity and safety for all workers in Walmart's supply chain.

Workers are also standing in solidarity with Walmart associates from hundreds of stores, in almost all 50-states, who have come together as part of the Organization United for Respect at Walmart (OUR Walmart) in order to improve their lives with compensation that supports their families and to be treated with respect on the job.

We call on consumers, community members and people of conscience to support supply chain workers in their struggle so that each worker can truly enjoy what Walmart touts as its own Standards for Suppliers: decent wages, protection under the law and the right to form a union and collectively bargain.