#### **HUMAN RIGHTS WATCH**

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Mr. Mike Duke President and CEO Walmart Stores, Inc. 702 SW 8th Street Bentonville, Arkansas 72716

Cc: Mr. Rajan Kamalanathan Vice President of Ethical Standards Walmart Stores, Inc. 702 SW 8th Street Bentonville, Arkansas 72716

Re: Phatthana Seafood Co., Ltd of Thailand

Dear Mr. Duke,

Thank you for the letter dated April 19, 2012 from Walmart Executive Communications in response to our April 16, 2012 letter, enclosed here, about Walmart's business relationship with Phatthana Seafood Co., Ltd of Thailand ("Phatthana"). Unfortunately, it did not clarify the relationship between Phatthana and Walmart and we would like to request again details on your company's relationship with Phatthana.

As stated in our April 16 letter, Human Rights Watch has received credible information about serious labor rights abuses at a Phatthana shrimp-processing factory located in Muang district, Songkhla province, in Thailand. We have also received credible information indicating that the Phatthana factory in Songkhla has supplied shrimp for Walmart or the Walmart-owned company Sam's Club. As noted in our letter, US Customs records of US imports from 2010 to 2012 contain hundreds of bills of lading for Phatthana shrimp with the Walmart and Sam's Club "mark," including from the Songkhla facility. We have also received evidence of packaging in Sam's Club stores bearing the "Sustainable Aquacultural Standards" certification code for Phatthana shrimp.

In our April 16 letter, we requested that Walmart confirm that Phatthana is one of Walmart's shrimp suppliers in the US market and that shrimp processed at the Songkhla facility has been among shrimp supplied to the company. We also asked the company to provide information on what steps it has taken or will take to investigate the alleged abuses reported at the Phatthana factory.

Your April 19 response did not address these questions. Instead it stated that "As soon as we received reports of potential violation of our ethical sourcing policy at Phatthana Seafood, we launched an investigation. We take reports like this very seriously, and we will take appropriate actions based on our findings." The letter also outlined the various standards Walmart applies to itself and to suppliers generally, but without specifically detailing how these standards were implemented or monitored in regards to Phatthana.

We understand that statements similar to the one sent to us were sent to Cambodian journalists who requested information from Walmart in late April.



**HRW.org** 

It has recently come to our attention that Walmart sent statements to two Cambodian journalists in May 2012 denying that Phatthana is a Walmart supplier. In a May 15 statement to the *Cambodian Daily*, a Walmart International Corporate Affairs Manager, Megan Murphy, wrote that "Walmart has never sourced products from Phatthana Seafood." An identical statement was sent by another International Corporate Affairs Manager, Erica J. Jones, to the *Phnom Penh Post* on May 15.

Given the lack of clarity about the relationship between Phatthana and Walmart, we are again requesting answers to our previous questions. In particular, we would appreciate your responses to the following:

- 1. Does Phatthana supply shrimp, or has it supplied shrimp, to Walmart in the US market?
- 2. If Phatthana is not a Walmart supplier, can Walmart explain US Customs data (a printout of one bill of lading is enclosed here as an example) showing shipment of Phatthana shrimp bearing Walmart or Sam's Club marks? Can Walmart explain the photographs attached, taken a few months ago, showing Sam's Club frozen shrimp on the shelf of a Sam's Club store in Texas, bearing a Sustainable Aquacultural Standards certification code corresponding to Phatthana Seafood Ltd?

We understand that the Walmart messages to journalists at the *Cambodian Daily* and *Phnom Penh Post* also stated that "helping people live better has always been core to our mission and the foundation of our business which is why we are working with the United Nations Inter Agency Project on Human Trafficking to address the unique labor rights concerns in the larger Thai seafood industry, including Phatthana."

- 3. Can Walmart explain in more detail the nature of its work with the United Nations Inter Agency Project on Human Trafficking (UNIAP)?
- 4. Can you list what steps Walmart has taken or will take to investigate the alleged labor rights abuses reported at the Phatthana factory in Thailand?
- 5. Has Walmart taken steps to ensure that similar abuses are not occurring in other Walmart supplier factories in Thailand?
- 6. Is Walmart aware of any other allegations in 2011 or 2012 involving workers in Thailand being trafficked to or held in debt bondage in factories supplying products to Walmart?

Thank you for your prompt response to these questions. Please feel free to contact me if you have any questions.

Sincerely yours,

**Arvind Ganesan** 

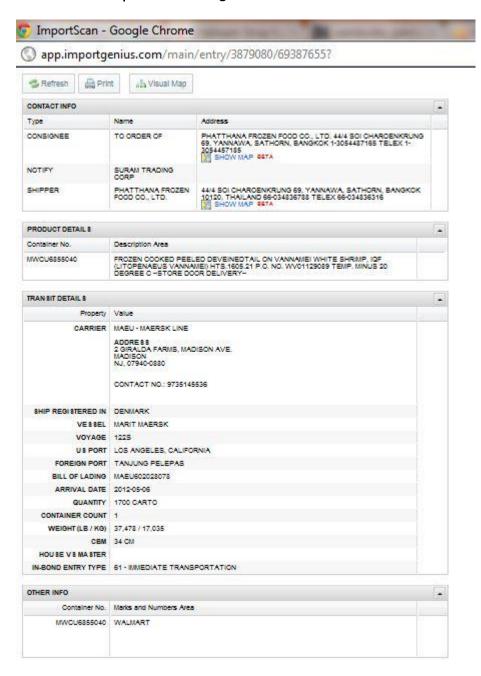
Director, Business and Human Rights Division

Human Rights Watch

## **Enclosures:**

- (1) Sample Bill of Lading
- (2) Image of Sam's Club shrimp packaging

# **Enclosure 1: Sample Bill of Lading:**



**Enclosure 2: Packing of Sam's Club Shrimp** 



Photographs taken in Walmart Store #2404 in San Antonio, Texas, December 2011. Certification codes P10045 and P10019 are codes assigned by Best Aquacultural Practices auditors to Phatthana Seafood Ltd. See <a href="http://www.aquaculturecertification.org/">http://www.aquaculturecertification.org/</a>