

The Wilberforce Institute at the University of Hull's modern slavery assessments on Waitrose farmed fish supply chains

Executive summary

- For over 15 years, the John Lewis Partnership, in particular Waitrose, has led the way with its [strategy](#) to ensure the responsible sourcing of fish, however, to date, this has focused on high standards of animal welfare and minimising the impact on the environment and delicate marine ecosystems. Research was undertaken by the Wilberforce Institute at the request of the John Lewis Partnership between December 2018 and July 2019. This research was designed to help develop the strategy, ensuring it is more holistic and includes human rights as a priority.
- Following initial desk-based research, telephone risk assessments were conducted with 11 farmed fisheries (one each from Chile, Ecuador, Honduras, Indonesia, Madagascar, Nicaragua and Peru, and four from Vietnam) supplying Waitrose, which represents 8,900 permanent workers and 1,100 temporary workers.
- At farm and hatchery level, 95% of the workforce were identified to be male, therefore in these areas men are at much higher risk of being exploited than women. This gender disparity seemed to stem from the physically demanding tasks and farms and hatcheries being remotely located.
- The research found that there were potential indicators of modern slavery in the majority of the farms assessed, with the risk being highest in those where accommodation is provided by the employee to workers. This does not mean there was modern slavery occurring at these farms, but does highlight that there are significant risk indicators that need to be mitigated.
- The purpose of this report is to highlight potential risks in order for the Partnership to spot and address them.
- It is noted that there are limitations with this research as it did not include on-site visits or worker interviews, however, it has provided a good basis on which to conduct further research.
- The recommendations for next steps include:
 - more detailed research into human rights within the sector, in particular in countries outside of those that have been well publicised to date (such as Thailand);
 - further engagement with workers, trade unions and NGOs who represent the most vulnerable in these supply chains; and
 - the creation of an industry 'safe space', which will promote wider collaboration (this could be formed through an existing structure such as the ETI, FNET or Seafish).

Background and context

Human rights abuse in farmed fish supply chains

Wild-caught fishing industries have generated a significant volume of headline news over the past few years. Such headlines focus predominantly on human rights abuses in these supply chains in southeast

Asia^{1, 2, 3} and Central and Latin America⁴. Examples include incredibly long working hours, which have led to workers allegedly consuming drugs, such as amphetamines, just to keep going.

The plight of those working in farmed fish supply chains has also been the subject of recent exposes. In 2013, the Environmental Justice Foundation (EJF) report⁵ highlighted the abuse of Thai workers in prawn peeling sheds and was followed by publications⁶ evidencing workers, including children, being trafficked from Myanmar and Cambodia⁷, living in filthy cramped conditions and trapped in debt bondage. The prawns from these peeling sheds were linked to supermarkets in Europe and the US where they were being sold to consumers⁸ and were also linked to further human rights abuses upstream in the supply chain in the fishing of trash-fish used in prawn feed⁹.

In 2014, the US Department of State downgraded Thailand to its lowest possible score, tier 3, in the 'Trafficking in Persons (TIP) Report', as a result of these abuses¹⁰. The EU followed suit with a 'yellow card' for Thailand's illegal fishing practices¹¹, bringing the threat of a future ban on exports for this country's \$6.5bn-a-year industry.

Assessing human rights risks in our farmed fish supply chains

For over 15 years, the John Lewis Partnership, specifically Waitrose, has had a strategy in place for the responsible sourcing of wild-caught and farmed fish.

Our farmed fish policy supports the development of sustainable aquaculture, focusing on high standards of animal welfare and minimising the impact on the environment and delicate marine ecosystems. We place a great emphasis on ensuring we sell only high-quality products sourced from known and approved farms (Waitrose's supply chain information can be found on the [Ocean Disclosure Project](#) website). However, these farms (and fisheries) are located across the world and include some high-risk countries with regard to the risk of human rights abuses.

¹ The Guardian (21 September 2019), '[Such brutality: tricked into slavery in the Thai fishing industry](#)', accessed 2 September 2020

² Greenpeace (19 March 2020), '[Who is FCF? Taiwan's biggest tuna trader linked to forced labour & illegal fishing](#)', accessed 2 September 2020

³ ILO (2013), '[Employment practices and working conditions in Thailand's fishing sector](#)', International Labour Organization

⁴ Kaosenlared (7 March 2020), '[Explotación laboral, condiciones peligrosas y salarios bajos: lo que hay detrás del pescado que consumimos](#)', accessed 2 September 2020

⁵ Environmental Justice Foundation (2013), '[The hidden cost, human rights abuses in Thailand's shrimp industry](#)'

⁶ South China Morning Post (13 June 2015), '[Slavery at sea: human trafficking in the fishing industry exposed](#)', accessed 2 September 2020

⁷ The New York Times (27 July 2020), '[Sea Slaves: The human misery that feeds pets and livestock](#)', accessed 10 September 2020

⁸ Margie Mason, Robin McDowell, Martha Mendoza and Esther Htusan (14 December 2015), '[Global supermarkets selling shrimp peeled by slaves](#)', Associated Press

⁹ The Guardian (10 June 2014), '[Slave labour producing prawns for supermarkets in US, UK: your questions answered](#)', accessed 2 September 2020

¹⁰ United States of America, Department of State (2014), '[Trafficking in Persons Report: Country Narratives T-Z and Special Cases](#)', US State Department

¹¹ European Commission Press Release (21 April 2015), '[EU acts on illegal fishing: Yellow card issued to Thailand while South Korea & Philippines are cleared](#)', European Commission

Using the Global Slavery Index¹² as a starting point, in 2018/19, using data regarding the prevalence of modern slavery in the countries we source from, Waitrose produced a heat map of our farmed fish sourcing countries and supply chains.

Using this map and our specific supply chain data, this risk assessment was then broken down into two phases by the Wilberforce Institute for the opening stages of this research: desk-based research and then telephone interviews.

GENDER BIAS

When conducting the risk assessment, Waitrose and the Wilberforce Institute considered the risk of gender bias. We recognise that there is a labour gender division within these supply chains but there has been limited research into aquaculture supply chains which takes gender bias into account¹³.

In Waitrose supply chains, 95% of the workforce identified as male. It was therefore considered that, in the scenarios being assessed, men were at a much higher risk of human rights abuses than women. One of the reasons given for the gender disparity was that farms and hatcheries are remotely located and the tasks performed by workers are more physically demanding. It is notable that, at the packhouse, the gender ratio changes, with women representing 50% of the workforce. Packhouses are located nearer to local communities and the work is less physical.

Stage one – Desk-based research

The desk-based research conducted by the Wilberforce Institute focused on two of our key UK-based direct suppliers and their first-tier processing sites, also located in the UK.

STEP ONE

A review was conducted into each company's publicly available responsible sourcing and human rights policies and recorded incidents of modern slavery indicators, such as recruitment fees, excessive working hours, low wages or non-payment of wages. In reality, this meant looking at publicly available information on the internet in order to determine the level of mitigation that was in place to prevent poor practices occurring within Waitrose supply chains. The research then looked for any known incidences of modern slavery, human trafficking or labour exploitation recorded within the companies, the regions they source from or products supplied.

Following this review, the two UK-based direct suppliers were given a numerical risk rating for each of the below points, with '1' indicating the presence of risk and '0' indicating low risk.

- Their knowledge of the Modern Slavery Act
- What steps and processes they have in place to ensure compliance with the Act
- Whether they were aware of modern slavery issues in their supply chain

¹² The Walk Free Foundation (2018), '[The Global Slavery Index, 2018](#)', Walk Free Foundation

¹³ Kruijssen, F., McDougall, C., and Asseldonk, I. (2017), '[Gender and aquaculture value chains: A review of key issues and implications for research](#)', Aquaculture, volume 493, pages 328–337.

- Whether they had declared these as part of their publicly available information
- What steps they are taking to resolve these risks

STEPTWO

The second part of the desk-based research was to look at the up-stream supply chains of the two companies including landing wharfs, farms and hatcheries. By conducting an online search combining keywords such as 'labour exploitation', 'human trafficking', 'modern slavery', 'child labour' and 'debt bondage' in tandem with the supplier's name, the region and the product supplied, 46 supply chains were given a numerical risk rating. To support this, internet searches were completed to determine whether other labour and human rights issues, not specific to the listed keyword searches, had been connected to these supply chains.

It is important to highlight that, in some cases, we were unable to obtain specific information from internet searches regarding the different stages of the supply chain and the method in which fish may enter the supply chain. For example, whether the fish in the reports were wild-caught, trawled or farmed, nor (in the case of prawns which many reports on human rights abuses in the fisheries sector focus on) whether the fish was from warm water or cold water.

Internet searches also have the possibility of returning out-of-date information and, since publication, mitigations may have been put in place, however, risks do not inherently disappear completely with time. If there are no reports of corrective action having been taken, then the potential for vulnerability is still very real.

Following this initial desk-based risk assessment, 14 high-risk supply chains were identified. The raw materials for these supply chains were based in the following countries:

Country	Risk Rating
Chile	1
Ecuador	1
Honduras	1
Indonesia	2
Madagascar	2
Nicaragua	1
Peru	1
Vietnam	5

Stage two – Telephone interviews

From these supply chains, sites from different tiers of the supply chain were selected for direct telephone interviews – these specifically targeted operations at the very beginning of the production cycle including farms, hatcheries and feeding centres. The production process involved at each site is further defined below:

Supply chain site	Production process
Hatchery	Post-larva production and transport of product to the farm
Farm	Grow out and farming of product, transport to the factory plant
Factory	Grading, packing, peeling, cooking, freezing, distribution

The telephone interviews were conducted by Cristina Talens (the Wilberforce Institute) with directors and HR managers of the companies between May and September 2019. The interviews specifically focused on recruitment and management practices, policies and procedures and allowed for a better understanding of the risk of modern slavery and labour exploitation taking place in the supply chain. The interviews provided Waitrose, and our direct UK-based suppliers, with an overview of the specific labour and human rights risks affecting the selected seafood supply chains.

Out of the 14 highest-risk supply chains, a total of 11 sites were interviewed across eight countries. One site was interviewed in Chile, Ecuador, Honduras, Indonesia, Madagascar, Nicaragua and Peru, and four sites in Vietnam. We were unable to get in-depth direct engagement from the remaining three sites but were following up with our direct suppliers about this separately. This work was paused temporarily due to Covid-19 but we have started following up with suppliers again.

Findings

The findings are based entirely on the information provided by the site managers during these interviews and do not involve any document checks or worker interviews.

11 sites in eight countries	8,900 permanent workers	1,100 temporary workers
50:50 male to female split at processing level	95:5 male to female split at hatcheries and farms	67% of sites provide accommodation

Recruitment methods

The John Lewis Partnership [Responsible Sourcing Code of Practice](#) (RSCOP) states: “Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or

home-working arrangements.” Whilst the use of labour agencies is not a concern in itself, there is an increased level of risk where workers are not directly employed by a site as the recruitment and employment conditions are determined by the labour agency.

Most sites appear to use labour agencies for the purpose of recruiting workers, but not for managing them.

- Two out of 11 sites (12%) reported that they used labour agencies and/or subcontractors in Indonesia and Vietnam at hatcheries and farms in more remotely located areas.
- Five out of 11 sites (45%) reported that labour agencies carried out recruitment, but that they directly employ the workers once they arrive on site.

Hours

Our RSCOP states that working hours must not be excessive and in order to verify that this is the case, accurate and robust working hours records must be maintained. These records must show where overtime has been conducted and when workers have had their day off, to ensure it is at least one day off a week (averaged over two weeks where allowed by local law).

It was found that there was often a lack of transparency regarding working hours. This, in turn, often translated into a lack of transparency on workers’ wages as it is unclear what hourly wage is being paid and whether overtime premiums are being paid.

- Two out of 11 sites (12%) had no transparency on working hours and therefore incorrect calculations of wages.
- Excessive working hours and working days were found on five out of 11 sites (45%).
- On one site, workers undertook four weeks of work without a day off.

Accommodation

Our RSCOP states that “accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers”. Providing accommodation is not in itself a concern, but we stipulate that workers are free to leave their employment with a reasonable notice period and must not be required to lodge deposits, both of which can be high-risk where accommodation is connected to employment.

Hatcheries and farms often house workers. The sites are remotely located and accommodation is provided at seven of the 11 sites (64%).

- These house hundreds of workers at a time and is where the risk of forced labour is highest.
- Processing sites tend to be closer to the towns providing better transport links and communication with the outside world.

Loans

Our RSCOP states that workers must not be required to lodge “deposits” and must be free to leave their employer after reasonable notice.

Loans to workers can be highly beneficial to tide them over in the case of unpredicted costs, and may offer a much-needed lifeline to those with very low incomes, however, they need to be managed well. The risk that the money may not be able to be repaid should lie with the employer.

Loans must be legal in the country, and, where available to employees, the conditions of the terms of repayment and interest must be clearly explained before the employee accepts the loan. Written agreements stating these conditions must be signed by both the borrower and lender and be kept on file. The loan amount must not be more than can be reasonably paid back, creating debt bondage, and should not prevent a worker leaving their employment.

It is recognised by the farms that loans can be of benefit where there is no welfare structure to support the most vulnerable.

- Loans are offered in seven out of 11 sites (64%).
- However, while policies are in place, they are often ignored in an 'emergency' and there is uncertainty as to whether workers are able to leave before the loan is repaid.

Worker voice

Effective 'worker voice' is particularly important to the John Lewis Partnership, reflecting our own ethos. As a co-owned business, all our employees (Partners) are encouraged to have a say in how the business operates. Our Partnership Council is elected through a democratic process and we strive to mirror this democratic process through our supply chains. It is also the policy, under our Responsible Sourcing Code of Practice that, "freedom of association and the right to collective bargaining are respected".

The effectiveness of current worker voice/feedback mechanisms at the farm sites is questionable:

- Six out of 11 sites (55%) reported that they had trade unions in place: four of these were in Vietnam and one in Indonesia.
- To date, in Vietnam, there is only one representative organisation of workers, the Vietnam General Confederation of Labour (VGCL), however, in December 2019, the New Labour Code of Vietnam was passed, for enactment in January 2021. In order to observe Vietnam's commitments under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), EU-Vietnam Free Trade Agreement (EVFTA) and ILO Conventions, the New Labour Code recognises the right of employees to set up their own representative organisations.
- The [ITUC worker rights Index, 2020](#)¹⁴ has rated Indonesia as a '5', which means there is no guarantee of worker rights in the country. There is also evidence that arbitrary arrests of union representatives were made there in 2019.
- In South America, there was no trade union representation at any of the farm sites¹⁵. Ecuador and Honduras are both rated as a 5, which means that there is no guarantee of worker rights, whereas Chile and Peru are only slightly better with a rating of 4, meaning there are systematic violations of rights. Nicaragua does not have a rating.
- There has been considerable unrest across South America in recent years, and at one site, workers (who are housed in employer's accommodation) were not allowed to contact the

¹⁴ International Trade Union Confederation, 2020, '[2020 ITUC Global Rights Index – The World's Worst Countries for Workers](#)', ITUC

¹⁵ International Trade Union Confederation, 2020, '[2020 ITUC Global Rights Index – The World's Worst Countries for Workers](#)', ITUC

'outside world', which was considered by the farm management as a safety measure but could also be viewed as a forced labour indicator.

Limitations and next steps

Following industry best practice research methods, it is important to highlight the limitations in our research and what could be done to further this work in the future. This research was conducted using telephone interviews as it was designed to be a broader risk assessment of farmed fisheries and the team were unable to conduct on-site checks, documentation checks and worker interviews. All of the information was obtained directly from management interviews, so it may not provide a complete picture of the systems and management practices in place. The research, however, has given us clear next steps, which are laid out as a call to action below.

Follow-up by Waitrose

Since the assessments were conducted, Waitrose has engaged with our direct suppliers, sharing the findings of the assessments with them and following up on the individual corrective actions taken at the farm sites. We recognise that there are a number of areas where this research indicates our RSCOP is not being upheld, but we are also aware that some of the more serious and systemic issues highlighted are wider than those of the individual farms and often represent wider risks and concerns. We therefore urge industry collaboration to address these issues as we feel the most successful outcome will come from collective influence. Waitrose would support the creation of an engagement and producer support programme in Central and Latin America and Asia.

Through our [new agricultural strategy](#), we are making a commitment to “give more than we take from the communities we source from, delivering industry leading worker welfare”, and this research has helped shape the details behind this.

Our call to action for industry

- There is a need for greater transparency within seafood supply chains, which is the best opportunity to tackle both illegal fishing and human rights abuses within the seafood sector. To this end, Waitrose signed the Environmental Justice Foundation's [ten-point Charter for Transparency](#)¹⁶ in 2019.
- There is a clear need for further investigation into the human rights risks in seafood supply chains, especially at the hatcheries and farm sites which are often remotely located and appear to be high-risk. Industry collaboration is required to conduct and fund risk assessments on sites in the highest-risk countries.
- It is important to ensure that there is a safe space which promotes wider collaboration and more detailed research into human rights within the sector. This could be convened, for example, through one of the existing industry groups – for example, the Food Network for Ethical Trade (FNET), Seafish or the Ethical Trading Initiative (ETI). This research could be supported by experts on modern slavery, such as those at the Wilberforce Institute.

¹⁶ Environmental Justice Foundation (2019), '[M&S + Waitrose & Partners sign EJF Charter for Transparency to end illegal fishing and slavery at sea](#)', accessed 21 October 2020

- Any research conducted should not be treated as a certification programme or project, but as an opportunity to engage with suppliers at all levels of the supply chains, and industry bodies. It should also be used to engage with NGOs and specialised trade unions, whose purpose is to protect the most vulnerable in global supply chains.