



After dropping Chinese processor, Sysco confirms it's conducting further investigations of its supply chain

The company confirmed with IntraFish it will continue to conduct investigations into whether any non-Sysco brand supplier has ties to the Chishan Group.

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By Rachel Sapin 

On Friday, US broadline distribution giant Sysco confirmed it is terminating its contract and relationship with China-based processing plant Shandong Haidu and is now conducting further investigations of its supply chain, following a meeting with California Democratic lawmaker Jared Huffman's office.

In a Dec. 14 letter, Huffman lauded the move by Sysco to cut ties with the supplier, citing the processor's connections to a major investigation by the nonprofit Ocean Outlaw Project that found widespread use of forced labor at Chinese processing plants whose products are sold in the US market at leading retailers such as Costco, Albertsons and others.

In its investigation, the nonprofit implicated the Chishan Group, its fishing fleet and associated processing plants, including Rongcheng Haibo and Shandong Haidu, in the use of forced labor of Uyghurs and other ethnic minorities from Xinjiang, China.

In total, those companies handle 30 percent of China's squid production and contribute up to 17 percent of squid exports to the United States, Huffman's letter said.

Sysco told **IntraFish** following the decision it is now conducting further investigations into the issue, "following a months-long investigation into allegations of forced labor and other human rights abuses" that it says "violate Sysco's values and Supplier Code of Conduct."

"Sysco has zero tolerance for forced labor and child labor and will continue to hold all its suppliers to the highest standards of labor and human rights," Ramit Plushnick-Masti, the company's senior communications director, told **IntraFish**.

"We expect our suppliers to uphold the rights of every individual they work with, as outlined in the United Nations Declaration of Human Rights and Sysco's Supplier Code of Conduct."

Plushnick-Masti said the company is still conducting an investigation to ensure there are no other ties to Chishan Group throughout its global business.

"For more than 10 years, Sysco has implemented an industry-leading program for identifying potential risks related to child and forced labor, wages, working hours, discrimination, worker safety, and living conditions."

The distributor said suppliers can face serious consequences if an audit finds critical issues including suspension/canceling the right to pack Sysco-branded products.

"In high-risk areas around the world, such routine audits combined with a dedicated team responsible for ensuring implementation of corrective actions, has minimized human rights risks and improved working conditions in facilities that act as Sysco brand suppliers," said Plushnick-Masti.

The communications director noted the company will continue to conduct investigations into whether any non-Sysco brand supplier has ties to the Chishan Group.

"If additional relationships are identified within the organization we will immediately take steps to end those relationships as well," he said.

Sysco will also look into whether any products that may be tied to Chishan Group were supplied to government entities.

Sysco's revenue for the 12 months ending September 30, 2023 was \$76.81 billion. Seafood accounted for 4 percent, or \$3 billion, of its sales in 2023, the company said in its annual report. (Copyright)

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