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December 14, 2023

Kevin P. Hourican
President and Chief Executive Officer
Sysco Corporation
1390 Enclave Parkway
Houston, TX 77077-2099 US

Dear Mr. Hourican:

Thank you to Sysco Corporation for meeting with my office regarding my recent draft letter that addresses illegal, unregulated, and unreported (IUU) fishing and forced labor in the seafood supply chain. As you are aware, we were extremely concerned by the recent reporting from The Outlaw Ocean Project, which exposed the horrific human rights atrocities across nearly every facet of China's seafood supply chain, including the use of forced labor of Uyghurs and other ethnic minorities from Xinjiang. It is even more alarming that this same seafood is finding its way into U.S. markets and even the food supply of the U.S. Capitol, Executive Office Buildings, and federal agencies.

Because Sysco holds a large share of federal government contracts, I want to ensure that Sysco will demonstrate its commitment to upholding the law by severing ties with any entity that violates human rights standards, such as those laid out in the *Uyghur Forced Labor Prevention Act*. The evidence from the Ocean Outlaw Project's reporting implicates the Chishan Group, its fishing fleet, and associated processing plants, including Rongcheng Haibo and Shandong Haidu, which handle 30 percent of China's squid production and contribute to 17 percent of squid exported to the United States. While we are disappointed in the initial delay in action, we are pleased that Sysco has decided to terminate its contract and relationship with Shandong Haidu as of the morning of December 14th, 2023. However, my staff's meeting with Sysco revealed further questions about the thoroughness and reliability of audits that Sysco relies on to claim they are committed to sourcing products free from forced labor and human trafficking. Further, the question of Sysco's commitment to fully addressing these issues remains to be seen, as the company has not addressed its relationship with Rongcheng Haibo or the eight other processing plants that can be linked to forced labor of workers from Xinjiang and human rights abuses.

While my staff and I found the meeting with Sysco informative, we came away with more questions that require prompt answers. Several broader issues arose, further implicating the systemic flaws of the global seafood market and supply chain. We have multiple questions for Sysco regarding its plan to fully address these issues and lead the way in upholding legal and ethical human rights standards throughout the seafood industry. Please answer the following questions as soon as possible.

1. Sysco informed my office that as of this morning, they severed ties with Shandong Haidu, but not Rongcheng Haibo. However, Rongcheng Haibo has been explicitly documented as using labor from Xinjiang workers. Therefore, is Sysco planning to sever ties to Rongcheng Haibo? Further, please provide documentation that outlines the termination of Sysco's relationship with Shandong Haidu in addition to any plans moving forward as it relates to Rongcheng Haibo.
2. The Outlaw Ocean Project's extensive investigation identified 10 total processing plants that utilize workers from the Xinjiang Uyghur Autonomous Region. However, we suspect the problem may be more expansive. Does Sysco have evidence that the other plants they source seafood from in China do not utilize workers from Xinjiang or North Korea? Please provide a complete list of the plants your corporation has ties to in China, as well as any recent audits Sysco has received from them.
3. Sysco highlighted inherent flaws in the auditing processes as it relates to the influence of the Chinese Government in the alleged "independent" process. This is a cause for concern, one, as it relates to auditors asking specific questions to identify forced labor in processing plants in China, and two, as it relates to the ability of auditors to successfully conduct unannounced visits in China. As mentioned during the meeting, Sysco reached out to its third-party independent auditor, Underwriter Laboratories (UL) following the New Yorker reporting to request "an unannounced visit specifically focused on human rights allegations." It is concerning to us that following this request, UL engaged in multiple delay tactics, and as Sysco said during the meeting, UL ultimately said they were unwilling to audit because of what they are seeing with their "auditors getting intense scrutiny," implying that it was the Chinese government who had been applying the pressure. Based on this, it appears to us that UL and other auditors are likely not checking for the presence of forced labor from regions like Xinjiang or North Korea. The import of products from any facilities tied to Uyghur workers from the Xinjiang Uyghur Autonomous Region is a clear violation of the UFLPA. The import of products from any facilities tied to North Korean workers is a clear violation of the *Countering America's Adversaries Through Sanctions Act* (CAATSA).
 - a. Please provide documentation for all of the audits performed by UL tied to Shandong Haidu in the last four years.
 - b. What are Sysco's plans to solve the bigger core problem of auditors they are contracting that are not thoroughly investigating the presence of forced labor and looking particularly for the presence of workers from Xinjiang or North Korea?
 - c. How is Sysco ensuring that the audits it uses, whether from UL or other firms, are allowed to conduct unannounced visits?
4. In the meeting, Sysco mentioned that UL provided audits of Shandong Haidu that did not indicate the problem of state-sponsored forced labor in terms of workers from Xinjiang. However, by Sysco's own admission, when they "are doing our audits, we are going one level up." This, to us, misses the mark in what is expected of corporations the

government conducts business with – as it has been clearly documented that human rights abuses occur at multiple levels of the seafood supply chain both on land and at sea.

Therefore, surface-level audits are insufficient.

- a. Has Sysco asked UL how they intend to fix that oversight?
- b. Does Sysco have reason to believe that this blind spot in UL’s audit methodology might indicate that Sysco has lapses in other plants that have been audited by UL?
- c. Does it concern you that your audits are not checking on a whole category of well-documented crimes happening at sea and within your supply chain?
- d. Do you have any plans on finding auditors who can verify that the seafood you are distributing is not tied to workers from Xinjiang or North Korea in processing plants or trafficked and otherwise abused workers at sea?

Clearly, the core problems in the way that Sysco’s audits have been conducted speak to wider concerns. In light of the huge presence Sysco plays in the food supply writ large, even beyond seafood for the federal government, we’d like to get to the bottom of your supply chain vetting and receive some clear answers to these questions. We appreciate Sysco saying today that “it is not a problem for Sysco to support your policy position” and that you take it seriously. We look forward to hearing from you and seeing the swift action you intend to take in order to show the seriousness with which you are taking this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jared Huffman", with a long horizontal flourish extending to the right.

Jared Huffman
Member of Congress