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Lawmakers Press Costco on China Forced Labor

The popular retailer was asked why products allegedly linked to human rights violations in China are on its shelves

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A campaign by U.S. lawmakers to single out companies allegedly tied to human rights abuses in China has come for popular retailer Costco. PHOTO: KENA BETANCUR/GETTY IMAGES

[Costco Wholesale](#) faces questions from influential U.S. lawmakers over alleged links between forced labor in China and products sold in the retail giant's stores.

Costco should explain why it continues to sell seafood and security cameras that are allegedly tied to human rights abuses in China's Xinjiang region and elsewhere, said Rep. Chris Smith (R., N.J.) and Sen. Jeffrey Merkley (D., Ore.) in a [letter](#) to Costco Chief Executive W. Craig Jelinek. Smith and Merkley head the Congressional-Executive Commission on China, a group of lawmakers and executive branch officials that monitors human rights developments in the country.

Amid [escalating bilateral tensions](#) with China, Washington is increasingly singling out U.S. companies to demand answers about supply-chain links and other ties to the country.

In their letter to Jelinek, made public Wednesday, the lawmakers said Costco continues to sell China-sourced seafood despite reports detailing concerns about the use of forced labor in its production.

Smith and Merkley also questioned why Costco sells security cameras from Lorex, a former subsidiary of camera maker [Zhejiang Dahua Technology](#) that they said still uses Dahua components in its products. They asked whether Costco would stop selling these products.

Dahua, a China-based company whose cameras are banned from sale in the U.S., has helped aid Chinese government oppression in Xinjiang, the home of the Uyghur people and other minority groups, they said.

"We should both agree that American consumers should not be subsidizing horrific human rights abuses—by either Chinese security or seafood companies," the lawmakers wrote.

A representative for Costco said "we are currently reviewing the letter, and we will respond in due course."

Lorex and Dahua didn't respond to requests for comment.

The spotlight on Costco comes as U.S. officials and lawmakers place additional scrutiny on businesses' links to China, particularly to Xinjiang. The U.S. has said China's policies in Xinjiang are [genocidal](#)—an allegation that China rejects—and under a law that came into force last year, [largely banned the import](#) of products from that region.

The Federal Communications Commission last year [banned](#) the sale of new products made by Dahua, citing national security concerns. The lawmakers said Dahua's products are used in the "noxious" surveillance of minority groups in Xinjiang.

Though Dahua sold Lorex to Taiwanese company Skywatch last year, Lorex continues to source components from Dahua, they said, adding that retailers [Best Buy](#), [Home Depot](#) and Lowe's have discontinued the sale of Lorex products.

Costco's continued decision to sell Lorex products is "puzzling," they said.

The lawmakers also highlighted Costco's seafood sourcing, asking to see audits and risk assessments that Costco relied on in deciding to sell seafood from China. An investigative journalist group [recently found](#) widespread transfers of laborers from Xinjiang to processing facilities elsewhere in China.

Last month, the same committee [pressed](#) the National Basketball Association on its partnerships with gear makers allegedly linked to Uyghur forced labor. Lawmakers also have repeatedly [highlighted](#) alleged forced labor ties in rising e-commerce sites Shein and Temu, and have begun a [probe](#) of automakers' sourcing from Xinjiang.

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