Revealed: Asian slave labour producing prawns for supermarkets in US, UK

Thai 'ghost ships' that enslave and even kill workers are linked to global shrimp supply chain, Guardian investigation discovers

Source:

Slaves forced to work for no pay for years at a time under threat of extreme violence are being used in Asia in the production of seafood sold by major US, British and other European retailers, the Guardian can reveal.

A six-month investigation has established that large numbers of men bought and sold like animals and held against their will on fishing boats off Thailand are integral to the production of prawns (commonly called shrimp in the US) sold in leading supermarkets around the world, including the top four global retailers: Walmart, Carrefour, Costco and Tesco.

The investigation found that the world's largest prawn farmer, the Thailand-based Charoen Pokphand (CP) Foods, buys fishmeal, which it feeds to its farmed prawns, from some suppliers that own, operate or buy from fishing boats manned with slaves.

Men who have managed to escape from boats supplying CP Foods and other companies like it told the Guardian of horrific conditions, including 20-hour shifts, regular beatings, torture and execution-style killings. Some were at sea for years; some were regularly offered methamphetamines to keep them going. Some had seen fellow slaves murdered in front of them.

Fifteen migrant workers from Burma and Cambodia also told how they had been
enslaved. They said they had paid brokers to help them find work in Thailand in factories or on building sites. But they had been sold instead to boat captains, sometimes for as little as £250.

"I thought I was going to die," said Vuthy, a former monk from Cambodia who was sold from captain to captain. "They kept me chained up, they didn't care about me or give me any food ... They sold us like animals, but we are not animals – we are human beings."

Another trafficking victim said he had seen as many as 20 fellow slaves killed in front of him, one of whom was tied, limb by limb, to the bows of four boats and pulled apart at sea.

"We'd get beaten even if we worked hard," said another. "All the Burmese, [even] on all the other boats, were trafficked. There were so many of us [slaves] it would be impossible to count them all."

CP Foods – a company with an annual turnover of $33bn (£20bn) that brands itself as "the kitchen of the world" – sells its own-brand prawn feed to other farms, and supplies international supermarkets, as well as food manufacturers and food retailers, with frozen or cooked prawns and ready-made meals. It also sells raw prawn materials for food distributors.

In addition to Walmart, Carrefour, Costco and Tesco, the Guardian has identified Aldi, Morrisons, the Co-operative and Iceland as customers of CP Foods. They all sell frozen or cooked prawns, or ready meals such as prawn stir fry, supplied by CP Foods and its subsidiaries. CP Foods admits that slave labour is part of its supply chain.

"We're not here to defend what is going on," said Bob Miller, CP Foods' UK managing director. "We know there's issues with regard to the [raw] material that comes in [to port], but to what extent that is, we just don't have visibility."
The supply chain works in this way: Slave ships plying international waters off Thailand scoop up huge quantities of "trash fish", infant or inedible fish. The Guardian traced this fish on landing to factories where it is ground down into fishmeal for onward sale to CP Foods. The company uses this fishmeal to feed its farmed prawns, which it then ships to international customers.

The alarm over slavery in the Thai fishing industry has been sounded before by non-governmental organisations and in UN reports.

But now, for the first time, the Guardian has established how the pieces of the long, complex supply chains connect slavery to leading producers and retailers.

"If you buy prawns or shrimp from Thailand, you will be buying the produce of slave labour," said Aidan McQuade, director of Anti-Slavery International.

The Guardian conducted dozens of interviews with fishermen, boat captains, boat managers, factory owners and Thai officials in and around various ports in Thailand. Thailand enjoys a prime position as the world's largest prawn exporter in a vast seafood-export industry estimated to be worth some $7.3bn. Through multinationals such as CP Foods, Thailand ships out roughly 500,000 tonnes of prawns every year – nearly 10% of which is farmed by CP Foods alone.

Although slavery is illegal in every country in the world, including Thailand, some 21 million men, women and children are enslaved globally, according to the International Labour Organisation. These people may have been sold like property, forced to work under mental or physical threat, or find themselves controlled by their "employers". Thailand is considered a major source, transit and destination country for slavery, and nearly half a million people are believed to be currently enslaved within Thailand's borders. There is no official record of how many men are enslaved on fishing boats. But the Thai government estimates that up to 300,000 people work in its fishing industry, 90% of whom are migrants vulnerable to being duped, trafficked and sold to the sea. Rights groups have long pointed to Thailand's massive labour shortage in its fishing sector, which – along with an increased demand from the US and Europe for cheap prawns - has driven the need for cheap labour.
"We'd like to solve the problem of Thailand because there's no doubt commercial interests have created much of this problem," admits CP Foods' Miller. The Guardian's findings come at a crucial moment. After being warned for four consecutive years that it was not doing enough to tackle slavery, Thailand risks being given the lowest ranking on the US state department's human trafficking index, which grades 188 nations according to how well they combat and prevent human trafficking.

Relegation to tier 3 would put Thailand, which is grappling with the aftermath of a coup, on a par with North Korea and Iran, and could result in a downgrade of Thailand's trading status with the US.

"Thailand is committed to combatting human trafficking," said the Thai ambassador to the US, Vijavat Isarabhakdi. "We know a lot more needs to be done but we also have made very significant progress to address the problem."

Although the Thai government has told the Guardian that "combating human trafficking is a national priority", our undercover investigation unearthed a lawless and unregulated industry run by criminals and the Thai mafia – facilitated by Thai officials and sustained by the brokers who supply cheap migrant labour to boat owners.

"The Thai authorities could get rid of the brokers and arrange [legal] employment," one high-ranking Thai official, who is tasked with investigating human trafficking cases, said on condition of anonymity. "But the government doesn't want to do that, it doesn't want to take action. As long as [boat] owners still depend on brokers – and not the government – to supply workers, then the problem will never go away."

Human rights activists believe that Thailand's seafood-export industry would probably collapse without slavery. They say, there is little incentive for the Thai government to act and have called for consumers and international retailers to demand action.

"Global brands and retailers can do so much good without bringing too much risk
upon themselves by simply enforcing their supplier standards, which typically prohibit forced labour and child labour," said Lisa Rende Taylor of Anti-Slavery International. "And if local businesses realise that non-compliance results in loss of business, it has the potential to bring about huge positive change in the lives of migrant workers and trafficking victims." The Guardian asked the supermarkets to comment on our finding of slavery in their supply chains.

All said they condemned slavery and human trafficking for labour. They all also pointed to systems of auditing they have in place to check labour conditions. Several retailers have joined a new initiative called Project Issara (Project Freedom) to discuss how they should respond and several attended a meeting in with the major producers in Bangkok at the end of last month at which slavery was discussed.

Walmart, the world's largest retailer, said: "We are actively engaged in this issue and playing an important role in bringing together stakeholders to help eradicate human trafficking from Thailand's seafood export sector."

Carrefour said it conducts social audits of all suppliers, including the CP factory that supplies it with some prawns. It tightened up the process after alerts in 2012. It admitted that it did not check right to the end of its complex chains.

Costco told us it would require its suppliers of Thai prawn "to take corrective action to police their feedstock sources".

A Tesco spokesperson said: "We regard slavery as completely unacceptable. We are working with CP Foods to ensure the supply chain is slavery-free, and are also working in partnership with the International Labour Organisation [ILO] and Ethical Trading Initiative to achieve broader change across the Thai fishing industry."

Morrisons said it would take the matter up with CP urgently. "We are concerned by the findings of the investigation. Our ethical trading policy forbids the use of forced labour by suppliers and their suppliers."
The Co-operative was among those saying it was already working to understand "working conditions beyond the processing level". "The serious issue of human trafficking on fishing boats is challenging to address and requires a partnership" in which it is actively engaged.

The managing director of corporate buying at Aldi UK, Tony Baines, said: "Our supplier standards, which form part of Aldi's contractual terms and conditions, stipulate that our suppliers must comply with applicable national laws, industry minimum standards and ILO and United Nations conventions of human rights, whichever standard is more stringent.

"These standards also require that suppliers do not engage in any form of forced labour and related practices. Aldi will not tolerate workplace practices and conditions which violate basic human rights."

Iceland said it only sourced one line containing prawns from a CP subsidiary but it was pleased to note that CP was "at the forefront of efforts to raise standards in the Thai fishing industry".

CP said in a statement that it believed the right thing was to use its commercial weight to try to influence the Thai government to act rather than walk away from the Thai fishing industry, although it is putting in place plans to use alternative proteins in its feed so that it can eliminate Thai fishmeal by 2021 if necessary. It said it had already tightened controls over the way its fishmeal is procured. While it recognises that workers on boats are exploited, it added that the Thai department of fisheries continues to deny that unregistered boats are a problem. "We can do nothing, and witness these social and environmental issues destroy the seas around Thailand, or we can help drive improvement plans. We are making good progress," it said.

• This article was amended on 11 June 2014 as an earlier version said Thailand ships out roughly 50,000 tonnes of prawns every year. This has been corrected to say 500,000 tonnes.