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[Home](#) > ILRF Questions Wal-Mart's Ethical Sourcing Practices on Anniversary of Wal-Mart CEO's Speech

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Source: ILRF Press Release

On the second anniversary of the “21st Century Leadership” speech made by Mr. Lee Scott, Wal-Mart CEO, the International Labor Rights Forum (ILRF) releases its research report on the Ethical Standards and Working Conditions in Wal-Mart’s Supply Chain. In an effort to raise awareness and educate people about the harsh working conditions that many Wal-Mart worker’s suffer worldwide, ILRF conducted an analysis compiling information from Wal-Mart’s Ethical Standards Program from 2003 through 2006.

According to the report, ILRF questions “Wal-Mart’s role in providing accountability for activities within factories that it purchases from, and its responsibility to find solutions as opposed to merely identifying problems.”

“To effectively address these flaws, Wal-Mart must reorganize its auditing program to enable auditors to fully investigate factories and gain a realistic depiction of operations. Further, Wal-Mart needs to communicate and engage with all levels of the supply chain directly, from workers to suppliers, and take responsibility for its powerful role in the production process,” as stated in the report.

"This report shows that Wal-Mart still has a long way to go in ensuring that its products are produced ethically, as evident by the ongoing worker struggle at TOS Dominicana in the Dominican Republic where Wal-Mart has remained hands off even as the situation has worsened," as stated by Trina Tocco, Campaigns Coordinator by the ILRF.

On October 24, 2005, Lee Scott stated “customers should not have to make trade-offs when they purchase products at our stores. You should not need a greater income for access to seafood, cotton, forest or paper products that are safe for your family or produced in a sustainable way.”

Scott highlighted four examples in which Wal-Mart was looking to change including “reorganizing our global sourcing organization to separate the factory certification function from our buying organization so that these two organizations can focus completely on their respective missions.” According to the reports conclusion, continuing to separate buying policies from the impact of factory workers producing Wal-Mart goods will only increase labor rights violations.

ILRF found a series of failures and inefficiencies in Wal-Mart’s auditing systems as well as a lack of consequences for violations of standards. The Wal-Mart’s 2004 Factory Certification Report states that “[Wal-Mart] desires to be a leader in factory compliance, be responsive to the sensitivities of the global community and meet the expectations of our customers and shareholder.” Unfortunately the findings of ILRF’s report show otherwise.

Wal-Mart has a commitment to its workers, shareholders, consumers and stakeholders to faithfully monitor and resolve issues surrounding their supplier factories. As the world's largest retailer Wal-Mart has an enormous responsibility not to only set an example of an efficient Ethical Standards Program, but to be a pioneer in the promotion of fair working conditions. ILRF's 34 page report conveys that corporate responsibility is more than just identifying a problem; it is about taking effective action towards a solution.

The report is available at: www.laborrights.org/publications/WMEthicalsourcing102407.pdf ^[1]

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