Product Sustainability Standard

Fair Labor FAQ

Version 1.0: March 2022



Does PCC have a standard to make sure products are ethically sourced?

PCC is committed to being a positive force in the lives of people who work in our supply chain. We will not tolerate verified child labor, forced labor, human trafficking, abuse, or harassment. We expect employers to meet or exceed legal requirements for labor practices, worker health and safety, and housing. Our standard for fair labor outlines these expectations and sets requirements for fair labor certifications on products or commodities that may be at higher risk of human rights violations in their supply chains. Read the full standard <u>here</u>.

Are there labels or certifications that indicate fair trade or ethical sourcing?

Yes. Fair Trade USA, Fair Trade International, and Fair for Life are some of the most prominent fair trade certifications. PCC strongly supports third-party certifications but also recognizes it can be confusing to consumers when there are so many similar ones. To learn more about the pros and cons of the certification programs noted above, see the *Sound Consumer* Label Lowdown article.

Why does PCC sell Driscoll's berries?

During the summer berry season, PCC stocks as many local and organic berries as we can in our produce department, however being in the Pacific Northwest, that season can be very short. Driscoll's is a reliable producer that ensures we have berries year-round, which we know is important to many of our customers. Berries can be a crop that is at high risk of labor abuses, which is why the majority of our non-domestic berries are Fair Trade certified and we have a goal of being 100% Fair Trade as the supply grows. Additionally, while Driscoll's has come under scrutiny for some labor issues in the past, they have actively taken steps to address those failings. For example, with PCC's encouragement and support, Driscoll's shifted all of their berries grown in Baja (California and Mexico) to Fair Trade, which means that their producers there must comply with standards to ensure worker health and safety is prioritized.

What is PCC doing to ensure companies are treating workers fairly?

PCC supports strong third-party certification systems that have their own auditing and verification processes. We also form long-standing relationships with reputable distributors and producers (See <u>Organically Grown Company</u>), to ensure transparency in the supply chain and support others in the industry with shared values.

Additionally, PCC works closely with many smaller producers who are also values-driven in their operations and have better policies and practices regarding the treatment of workers. We also establish stricter standards for certain products and commodities with known human rights and labor issues.

Beyond these individualized standards, our produce merchandisers work closely with many of our producers, especially those that are local, who are dedicated to their staff and care deeply about their wellbeing. When possible, our merchandisers visit many of our local farms and producers and can attest to the higher quality of treatment, working conditions, wages, and benefits.

Do you have any fair labor standards surrounding bananas?

PCC sells bananas from <u>Organics Unlimited</u>, which does not have a third-party fair trade certification, but prioritizes transparency and worker safety and upholds core values founded in respect for people and the planet. Their GROW Foundation was established to further the company's social responsibility and helps provide access to clean drinking water, milk for growing children, dental and vision services, and educational opportunities. To learn more about the GROW Foundation, keep reading <u>here</u>.

I've heard the chocolate supply chain has a lot of human rights issues, particularly concerning child slave labor. How are you ensuring that the chocolate sold at PCC doesn't support these practices?

PCC is believed to be the first US grocer to sell only chocolate made from ethically sourced cocoa. We sell chocolate only from vendors providing assurances that child slave labor is prohibited and follow International Labor Organization Fundamental Conventions. These include strict prohibitions against child slave labor, as well as provisions about age, working conditions and fair wages for all workers. PCC requires its chocolate vendors to answer specific questions and sign affidavits ensuring their chocolate adheres to this standard. All brands must either be certified by an independent third party, or sign PCC's Supplier Agreement ensuring they meet the standard.

Do you have standards to ensure your coffee is ethically sourced?

Since 2003, all PCC whole bean coffee is fairly traded or direct traded and is certified organic and shade grown. Fair prices and access to credit supports better nutrition and healthcare for farming families, keeps the kids in school, and enables reinvestment in the farms. Fair trade is also good for the environment, encouraging sustainable farming methods that are safer for communities and wildlife.

Are there any fair labor issues surrounding seafood?

Unfortunately, yes. In certain regions and with certain commodities of the seafood supply chain (e.g., shrimp, tuna) there have been <u>documented issues</u> with forced labor, fraud, illegal fishing, and unfair wages. Forced labor exists throughout the world, but the problem is most pronounced in the South China Sea, especially in the Thai fishing fleet, which faces perennial worker shortages.

While improved regulatory oversight and international alignment with human rights standards would be the best way to address some of these issues, PCC has taken steps to minimize the risks of slave labor within its seafood supply chain and supports efforts by the government and third-party certifications in

developing better standards and solutions to these serious issues. The majority of PCC's fresh seafood comes from the US, in part to avoid seafood procured by illegal fishing and practices that exploit workers in other parts of the world. Some canned tuna and warm-water seafood at PCC are foreign caught, but vendors have provided written assurance that their operations are not engaged in labor abuses. PCC also supports the <u>development of third-party standards</u> to help eliminate these practices.

Do you have any fair labor standards for sugar?

Yes. At PCC, we buy sugar from ethical sources, such as Wholesome Sweeteners. Wholesome Sweeteners sugar is produced without toxic pesticides or fertilizers and is certified Fair Trade, ensuring humane working conditions. They were the first company to establish fair trade standards for sugar and it is a core principle of the business to have a positive impact on the people who produce their products. Over the years, Wholesome's fair trade commitment has resulted in over \$23 million in premiums, which is an additional income for producers to support community development and social programs, including health care and education.

Does the Organic Certification help ensure workers are treated better?

Organic regulations do not have specific requirements around treatment of workers, and as a result, workers can face the same low wages and unfair treatment that are an issue across the food industry. While much more needs to be done in the organic industry to address worker rights, treatment, and wages, organic fields are less toxic to work in because growers are prohibited from using some of the most toxic pesticides, like glyphosate.