



# Slavery on the high street

Forced labour in the manufacture of  
garments for international brands

Anti-Slavery International  
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Anti-Slavery International/Dev Gogoi

## Executive Summary

This report identifies the use of slavery-like practices involved in the manufacture of garments in India for international markets: the use of forced labour of young women and girls in the factories of Southern India, particularly the spinning mills around Tirupur. This report also identifies the routine use of child labour in garment finishing in Delhi. Details of international companies whose supply chains appear to be affected by some of these forms of forced labour are given in chapter four of this report.

Research for this report included both field research and, under the auspices of the Ethical Trading Initiative, engagement with western brands whose supply chains were identified as including the forced labour or child labour abuses identified by the field research. In the course of the conversations with brands, there was general acceptance by the brands that the forced labour of young women and girls was a major problem in garment manufacturing in Tamil Nadu.

Nevertheless, the reluctance of brands to develop concrete and credible joint response with civil society, and of some brands to acknowledge the risk of forced labour in their Tamil Nadu supply chains, led to a protracted research and negotiation process, which delayed publication of Anti-Slavery's findings by a year, from May 2011 to June 2012.

Extensive use of child labour<sup>1</sup> was identified by this research in the Sangam Vihar and Tughlakabad areas of Delhi, particularly relating to work on applying sequins, beads, embroidery and similar finishes to garments for international markets. Despite the existence of machinery for many of these finishes this work is generally, but not exclusively, undertaken by adolescent boys and young men aged between 10 and 20. One of the reasons that child labour is used so extensively in this part of the garment industry is because, paradoxically, of the close familial and community relationship between the workshop managers who are contracted to do the work, and the home villages of the child workers. Hence parents trust these contractors with their children. Children also have the advantage of being easily managed and possible to intimidate to undertake extra work if required. Again paradoxically any physical assaults by the managers on the children are not generally viewed seriously by the parents, because of the cultural acceptance of corporal punishment and because the managers belong to their own village. Often child labourers are advised by their parents to obey their bosses and learn the work.

One instance encountered by Anti-Slavery involved young workers sitting on the floor of a basement workshop stitching sequins onto skirts already labelled for western markets. The young workers explained that the process to complete one skirt took about half an

<sup>1</sup> Where a child is working below the minimum legal working age, and/or where the work is hazardous.

<sup>2</sup> <http://www.paycheck.in/main/officialminimumwages/delhi/minimum-wages-in-delhi-1> drawn on the figures from the Labour Department of the Government of Delhi, February 1, 2011.



hour, for which they were paid Rs 7, or the equivalent of about 10 pence sterling. In Delhi the legal minimum wage for semi-skilled workers is Rs 259<sup>2</sup> per day. To earn this at the piece rate provided they would have to work almost 18 hours per day.

The forced labour of women and girls has become known as the “*Sumangali* system”. It affects unmarried girls and women aged between 13 and 18 years old who work on three-year contracts, often in mills that operate 24 hours a day, using three shifts. The workers are not only required to work any shift but also to carry out unpaid overtime. The girls are confined to the mills, sleeping in hostels, during their contract period and are rarely, if ever, allowed out during that time. The only visitors they are permitted, just occasionally, are their parents, many of whom regard this as a safe form of employment for their daughters.

The girls are paid a low daily wage but are promised a lump sum after completing the contract, which many hope can be used as a dowry. The combination of both daily wage and lump sum generally fall well below what would be the legal minimum wage they should expect for a comparable period of work. In practice many do not receive the final payment, as they leave before the completion of their three-year contract, often due to ill health.

The restrictions on freedom of movement and the elements of bonded labour associated with the *Sumangali* system mean that it is a contemporary form of slavery and recognised as such by the Indian Courts. Nevertheless it is still widely practiced in garment manufacture as the continually available supply of cheap labour it represents allows many Indian manufacturers to meet the demands of international retailers for low cost garments.

While it is possible that some international brands sourcing from Tamil Nadu, India are unaffected by these practices, our evidence has revealed that forced labour is prevalent in the spinning mills and factories in the region. Therefore brands should engage in credible and sustained action in eradicating slavery and other human rights abuses from these supply chains.

## Recommendations

### Recommendations for Government

The Indian authorities should:

1. Reduce the length of the apprentice scheme in India’s textile and garment industry from three years to six months. Additionally, systems, including an effective labour inspectorate, should be put in place so that there is decent work for all qualified apprentices thereafter.
2. Carry out regular unannounced checks in the factories

employing and housing *Sumangali* workers to ensure that children under 14 are not employed.

3. Ensure that the practice of compulsory accommodation within work premises, especially for children under 18 is abolished.
4. Ensure that prior information about unannounced checks is not leaked to the factory management and establish procedures to identify and punish anyone undermining the integrity of the inspection system through corrupt practices.
5. Establish, drawing on international best practice, a watchdog to ensure public servants properly perform their duties relating to the enforcement of Indian national law on bonded and child labour, and take punitive action against those who fail to fulfil their responsibilities.

### Businesses

1. Establish long-term, multi-stakeholder partnerships between business and civil society to develop and manage sustained approaches to establish ethical supply chains.
2. Reform procurement practice to reduce the pressure on costs and lead times that could act as a catalyst for imposing forced labour practices on poor and vulnerable communities. Businesses must also be able to trace the outsourcing of contracts, so the provenance of products can be assured, and sub-contractors can be assessed regarding the provision of decent work and how working conditions must be improved.
3. Specific standards that should be sought from sub-contractors include:
  - a. Workers who are under 18 years old should have access to quality education and any work that they engage in should enhance their lives rather than exploit their labour;
  - b. That all workers should be able to attain a living wage for a basic eight-hour shift and that any overtime must be paid accordingly.
4. Retailers should commit 0.7% of the pre-tax profits to meet minimum international standards on forced labour and child labour, and promote the ideals of the Universal Declaration of Human Rights along their supply chains and across their operations.
5. Businesses should urge Government to fulfil their responsibilities for labour inspection and prosecution of employers who transgress Indian labour law.
6. In the factories in which *Sumangali* are currently confined, a number of specific measures must be taken immediately to alleviate the situation:
  - a. All workers must be allowed to leave their compound in their free time;
  - b. All workers must have access to appropriate safety equipment and health facilities;
  - c. All workers must be paid a living wage for a basic eight-hour shift. Any overtime must be paid accordingly.
  - d. Constraints on workers leaving their jobs must be removed. This includes the three-year contract

- scheme with final payments at the end.
- e. Workers should be facilitated with access to independent savings facilities;
  - f. Workers should be facilitated with access to union representation and freedom of association must be upheld in all workplaces.
7. Businesses partnerships with national and international civil society should put in place long-term programmes to monitor the labour practices in garment manufacture and to ensure the long-term welfare of those who are vulnerable to or who have experienced forced or child labour. Efforts to make available continuing education to all garment workers may be appropriate.
  8. The establishment or enhancement of quality education facilities for children in areas such as Sangam Vihar and Tughlakabad in Delhi may be necessary to make access to education a realistic possibility for children living in this area.
  9. To diminish migratory pressures, Western retailers and their Indian partners should consider working with national and international civil society to establish production co-operatives in the areas of origin of many of the child labourers, such as in Bareilly in Uttar Pradesh, where many of the skills in garment finishing that are appreciated by western consumers originate.

Following the conclusion of research presented in this report, Anti-Slavery International, in collaboration with the Ethical Trading Initiative, sought to raise the findings of this research privately with businesses. The aim of this engagement was to capture the expertise and influence of business through their supply chains and to obtain their commitments to multi-stakeholder partnership necessary to achieve change. From the outset of the dialogue businesses repeatedly stated they appreciated the collaborative approach we adopted. Appendix 1 lists the companies and other stakeholders with which Anti-Slavery engaged. The process of agreeing a multi-stakeholder approach to ending these identified slavery practices in garment and fabric manufacture in India ultimately produced a “Statement of Intent” detailing measures that would be undertaken to try to eliminate the slavery practices identified.

The Statement was signed by a multi-stakeholder group, trade unions, NGOs and business. However a significant number of businesses, many of whom were involved in the negotiation of the Statement of Intent and loudly trumpet their ethical concerns, including Marks and Spencer, ASOS, Bestseller, C&A, Gap Inc, Grupocortefiel, H&M, Inditex, Levi Strauss & Co, Mothercare, New Balance, Next, Nike, Primark, Ted Baker, and Tesco declined to sign the final Statement and refused to commit to credible, concrete, multi-stakeholder action to end the abuses. This is profoundly disappointing. Furthermore this failure raises some uncomfortable

questions regarding both the bona fides of these businesses’ ethical commitments and the value of discreet negotiation in good faith with ostensibly reputable businesses.

A follow up investigation by Anti-Slavery International made use of export data provided by SOMO and the India Committee of the Netherlands. This verified that as of June and July 2011, M&S, Mothercare, Tesco, Asda-Walmart, H&M, C&A, Bestseller, Gap, Inditex, Next and Primark, already alerted by Anti-Slavery of the risk of forced labour in their supply chains, were still trading with Indian companies accused of routinely using forced labour of girls and young women.

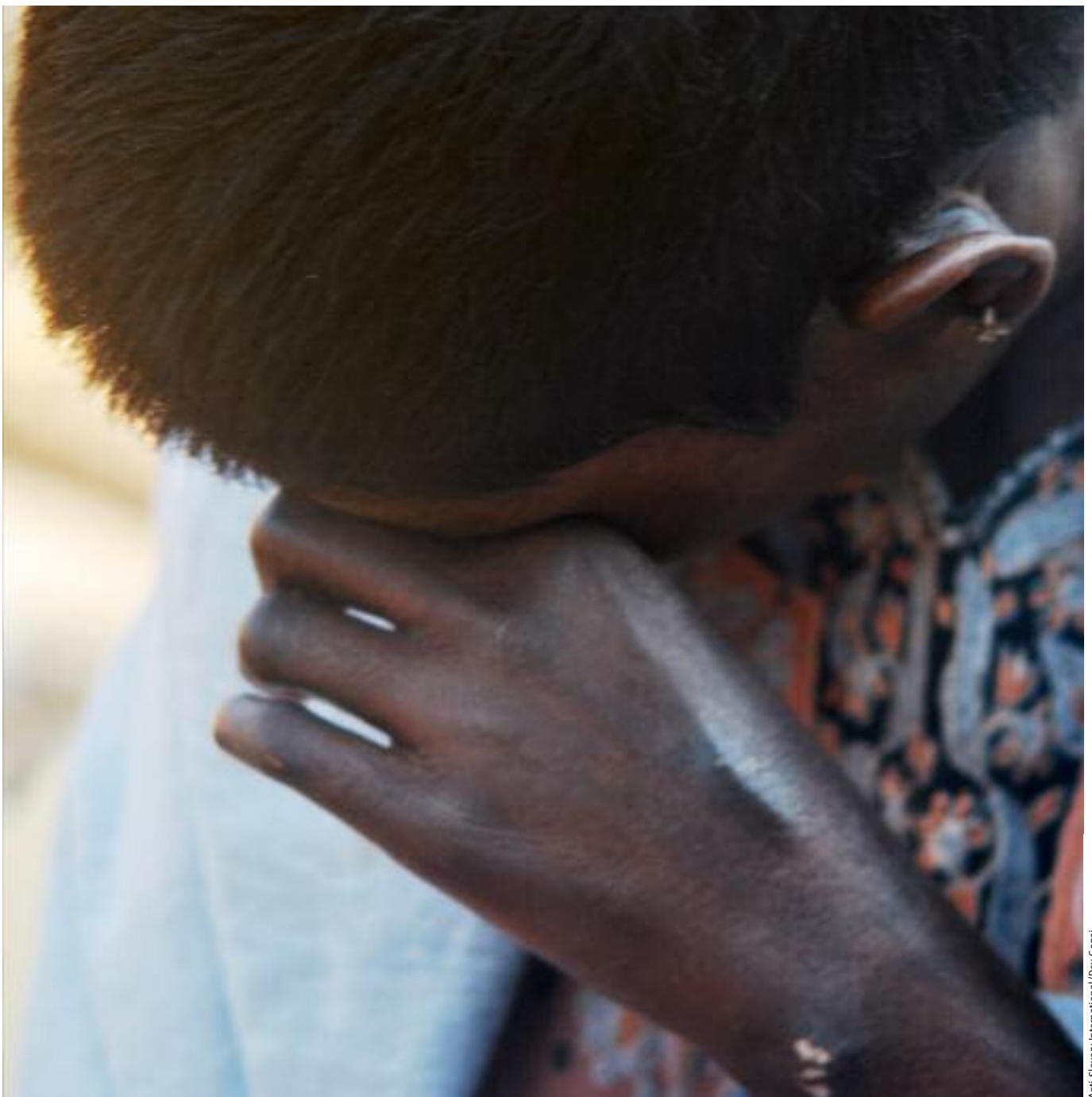
Anti-Slavery International does not wish to see the wholesale disinvestment by international brands from Tamil Nadu, India. However, we do want to see credible and sustained action by these brands in eradicating slavery and other human rights abuses from these supply chains.

Clearly the evidence presented in this report and generally accepted by international garment brands has not been regarded as serious enough for many of the companies identified to offer anything more than token words to address this problem. Without commitment to credible, concrete, multi-stakeholder action as set out in the Statement of Intent, they seem to show that they are sanguine that a significant portion of their sales are derived from the enslaved labour of children and young women.

Until there is sufficient concrete and credible action by international brands working in conjunction with government, Indian business and civil society, to end slavery in Tamil Nadu garment and textile sector, then the destroyed lives of so many girls and young women will remain a heavy, if unacknowledged, cost on the balance sheets of international business.

# **PART 1**

# **Manifestations of Slavery in Indian Fabric and Garment Manufacture**





Anti-Slavery International / Dev Gogoi

# Chapter 1: Introduction

There are many reasons for businesses to sub-contract parts of their work to other businesses across the globe. These include increasing operational flexibility and the opportunity to access specialised services without having to incur the costs of establishing these in-house. They also enable businesses to procure goods from cheaper labour markets hence allowing for reduced costs and potential increases in profits to the businesses. For poor countries the global business trend towards sub-contracting also brings with it potential benefits not least in terms of jobs, industrial development and revenue from trade and corporate taxes.

However this international business practice is not a source of unmitigated mutual benefit. As this report outlines, there are instances in the midst of complex, international supply chains where, in contravention of national and international law, forced and child labour is used. Specifically this report identifies two sets of slavery-like practices in the Indian garment sector: the forced labour of young women and girls in garment production in southern India, particularly in thread spinning mills; and the labour exploitation of children under 18 in the sequin workshops of Delhi.

While international businesses may not be aware of the illegal practices of their sub-contractors it is arguable that the commercial attractiveness to international businesses of some sub-contracted manufacturers derives in their ability to keep costs low.

The implication of this is that many high street brands continue to be manufactured in part by people in slavery-

like conditions or in contravention of international standards such as International Labour Organization Conventions 138 and 182 on child labour and its worst forms. This makes the manner of commercial engagement with poor societies where these abuses occur of crucial importance in relation to those businesses' social responsibilities and performance. Failure in this regard will lead to a growing reputational risk to businesses and risk of non-compliance with national and international law.

## Methodology

The research for this report was undertaken in three phases. The first phase during 2009 and 2010 was field research. The field research focussed on interviewing workers, former workers and their families on their experiences in garment manufacture in southern India, around Tirupur, and in Delhi. This allowed us to gather information on the living and working conditions of garment workers. Some of these workers, on understanding the purpose of our research, volunteered to help particularly in gathering the labels of brands being produced in workshops and factories where labour abuses were prevalent.

For reasons that will also be touched upon in this report, some aspects of the research were undertaken covertly. There is no way to approach the management other than meeting them under the auspices of seeking employment or procuring workers for their factories. Around Tirupur there was often heavy security around the factories to prevent people leaving and to stop any contact with,



particularly, the female workers within. In Delhi there is much sensitivity in the areas where garment production occurs to the exposure of labour abuses and child labour. On one occasion Anti-Slavery's researcher was physically threatened if he continued his work.

For these reasons all informants to this research have been anonymised and pseudonyms used.

The second phase of this research involved company engagement. This is outlined in greater detail in Part 2 of this report. From the end of 2010 the findings of the field research were put to the western brands identified, for comment, clarification and with a view to develop under the auspices of the Ethical Trading Initiative, a joint response to resolving the forced labour practices identified. During this phase some amendments were made to the field research findings, which took on board comments and clarifications of the brands. It should be noted, however, that during all the discussions under the auspices of the ETI, there was no dispute that forced labour was a major problem in Indian garment manufacture.

The third phase of research was undertaken from June to October 2011, after efforts to establish a joint plan of action with the brands collapsed. The purpose of this additional research was to ascertain whether there had been any substantial changes to the culture of forced labour in Tamil Nadu since the matter had been brought to the attention of brands.

**The findings of this third phase of research, were also shared with companies for companies and clarification.**

## Definition of some key terms

When Anti-Slavery International talks about slavery, we are specifically referring to abuses, defined under three international conventions: the 1926 Slavery Convention, the 1930 Forced Labour Convention and the 1956 Supplementary Convention on Slavery.

For the most part, this report relates to the forced labour of girls and young women as defined under the 1930 Forced Labour Convention.

**1926 The Slavery Convention:** "Slavery is the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised."

**1930 Forced Labour Convention (ILO Convention No.29):** "Forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily."

### ILO Forced labour indicators

1. Threats of physical harm
2. Restriction of movement
3. Debt bondage
4. Withholding of wages
5. Passport/ID retention
6. Threat of denunciation

**1956 Supplementary Convention on the Abolition of Slavery, The Slave Trade, and Institutions and Practices Similar to Slavery:** "Debt bondage, serfdom, forced marriage and the delivery of a child for the exploitation of that child are all slavery like practices and require criminalisation and abolishment."

In addition, in assessing the implications of the accounts gathered in the course of this research it is necessary to bear in mind the three different categories of working children as defined by the ILO:

- **'Economically active'** is a broad category which encompasses most productive activities undertaken by children, whether paid or unpaid, for a few hours or full time, casual or regular, legal or illegal. It **excludes** chores undertaken in the child's own home.
- **'Child labour'** is where a child is working below the minimum legal working age, and/or where the work is hazardous.
- **'Worst forms of child labour'** comprise those forms of child labour (including slavery) which are totally unacceptable and which must be eliminated as a priority<sup>3</sup>.

<sup>3</sup> See ILO Convention 182





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## Chapter 2: Child labour in the garment workshops of Delhi

### Introduction

Sangam Vihar and Tughlakabad areas in Delhi have developed a reputation for garment manufacturing in recent years. This has made them something of a hub for poor migrant workers from agricultural areas of northern India who have been forced by circumstances to seek alternative employment. A range of garment production stages are undertaken here including fabrication, cutting, stitching, washing and packing, as well as sequin, embroidery and bead work. By some estimates up to half the local population is engaged in some aspect of garment manufacture. The development of this area as a garment manufacturing district comes not from any strategic location, nor any high quality infrastructure. Rather it arises because the poor living conditions in the area mean it is a place to where poor people move. This in turn means an availability of cheap labour. As industry moves in so more people are drawn to the place, creating a self-sustaining cycle.

Suresh, a 14 year-old boy working in the garment sector in Delhi, described to the Anti-Slavery researcher an advantage of such a pool of poor workers to the city's manufacturers:

*“Our employers have no problem hiring someone else because hundreds of people come here every day, driven by poverty from their villages.”*

Unlike garment manufacture in southern India, generally Delhi-based garment manufacturers do not have integrated units with the capacity to produce yarn, weave and print the cloth. Other garment making processes, such as cutting, stitching and finishes such as sequin, bead and embroidery work, is undertaken in Delhi, often in the cramped workshops of Sangam Vihar and Tughlakabad.

The big and medium level contractors prefer to set their units in the top floor of the buildings, while the preference of small job units, such as applying sequins, is the basement. These small units seek the spaces with cheapest rent, which brings with it the advantage of hiding any child labourers from public notice. At first sight it is difficult to believe that so many workers live and work in such small rooms. Both small and larger units have in common that they do not advertise their names and do not register under the 1948 Indian Factory Act, even when, by law, they should.

Cutting and stitching work is somewhat mechanised, with the various sewing and cutting machines operated by semi-skilled tailors. The proprietors of these units are locally powerful and have invested a considerable amount in the units, which they generally manage themselves.

Anti-Slavery's research has indicated the use of debt bondage in some of these workshops. Debt bondage is recognised in international law as a slavery-like practice. Gunja<sup>4</sup> is 38 year-old and is in debt bondage to his garment factory owner. He describes how he came to work here:

*"I moved to Delhi from Tripura (next to Bangladesh) in 2002 after the death of my father. I was a tailor in my village. When my father died, my uncle took all our lands and forced my family to move out of our house.*

*"When we first came to Delhi there was not much work. I was only paid on a piece rate basis and that was not sufficient to look after my family, therefore I had to take loan from the factory owner. Within six months the debt had increased to Rs 8,000 [approximately GBP 114, or USD 182]<sup>5</sup>.*

*"I had to borrow some more money when I arranged marriage for my daughter. In total I owed Rs. 40,000 to the factory owner.*

*"I work around 13-14 hours a day and earn around Rs 5,000-6,000 per month when it is busy. I live in a single room with my family and pay Rs 1,500 per month as rent. I don't have any option to leave until I have paid back the money to the factory owner."*

It is not possible to be more definitive about the scale and nature of all abuses in this sector in these neighbourhoods due to the threat of violence by thugs working for manufacturing bosses. During the course of conducting this research Anti-Slavery's researcher was told by men that he would be beaten if they caught him again and they deleted all the photographs from his camera.

The workshop bosses in these areas maintain close relationships with the local police and labour inspectors, according to the working children, who report that they are paid off on a monthly basis to keep order in the workshops and turn a blind eye to labour abuses. Annis, a 14 year-old boy working all day, every day as an embroiderer in the city describes:

*"The police always cause trouble for us. They often raid here in search of child workers so the owners pay 200-500 rupees per month to the police to stop the raids. If the police take us they torture us until we pay them money."*

Hasnain, a 15 year-old garment worker also describes:

*"Police used to raid the factory and take us to the police station whenever they needed money. My owner used to pay them Rs.500 to Rs.1,000 per month to stop them raiding.*

*"Last year I was arrested because the owner forgot to pay the bribe. Usually the senior worker will ask the child workers to hide in the toilet when the police come but this time I could not escape and I was released only after giving a bribe."*

The problem of collusion between those who are supposed to be responsible for upholding Indian law and those who are systematically flouting it is not confined to the police. Khalid, a 36 year-old garment worker notes:

*"Labour officers came here [to the workshop] from time to time but they are only looking for bribes from the workers. Our owners are always changing the name of the factory so that we can't complain about illegal practices. Most factories are not registered but there is no way to take legal action because owners bribe the local police."*

These factors hampered Anti-Slavery research in Sangam Vihar and Tughlakabad. However reports, passed on by Anti-Slavery, of a number of western brand labels being seen in the workshops of Sangam Vihar and Tughlakabad led to some follow-up action. In a number of instances brands could not verify that the manufacture of their goods had been subcontracted to this area and were concerned some of their goods were being counterfeited. However in one case a brand found that the finishing of their garments had been inappropriately subcontracted to the area by a legitimate subcontractor.

This suggests a need to review some aspects of procurement practice and subcontracting arrangements to ensure manufacture is not subcontracted to slavery using workshops. However a deeper problem is the culture of violence and exploitation that pervades this district, providing opportunities for some unscrupulous individuals to derive significant profits from the misfortune of others. The conversion of this industrial area into a place of decent work and economic opportunity is a challenge for the city of Delhi and the national government, and one in which international business could conceivably play a positive role if they were to engage more pro-actively and on an appropriate scale across affected parts of India.

## Child labour in Delhi garment manufacture

The most egregious abuse identified in the research in Sangam Vihar and Tughlakabad, which is touched upon in the preceding paragraphs, related to work applying sequins, beads, embroidery and similar finishes to garments for international markets. Despite the existence of machinery for many of these finishes, across Sangam Vihar and Tughlakabad this work is generally, but not exclusively, undertaken by adolescent boys and young men aged between 10 and 20. In other

<sup>4</sup> All names of interviewees in this report are pseudonyms.

<sup>5</sup> The rate of exchange used in this report is 1US\$ equals Rs 44 and 1GBP equals Rs 70.

words the majority of this work is carried out by child labour.

One of the reasons child labour is used so extensively in this part of the garment industry is because, paradoxically, of the close familial and community relationship between the workshop managers who are contracted to do the work, and the home villages of the child workers. Hence parents trust these contractors with their children. Children also have the advantage of being easily managed and possible to intimidate to undertake extra work if required. Any physical assaults by the managers on the children are not generally viewed seriously by the parents, because of a cultural acceptance of corporal punishment and because the managers belong to their own villages. Often child workers are advised by their parents to obey their bosses and learn the work.

Annis describes some of what this means in practice:

*“The manager is known to my father. But it never stops him from treating me badly.”*

*“My work takes a great deal of concentration. Focusing on the needle and thread is very bad for your eyesight but we cannot think of the health impact because we need the money. This has become our way of life, we cannot change it.”*

The majority of children working applying sequins and other such finishes in Sangam Vihar and Tughlakabad come from the rural areas of Bareilly in Uttar Pradesh. Household poverty, often arising from landlessness, is a particularly strong cause of migration to Delhi.

Shaheed, an embroiderer aged 17 describes how he came to work in garment manufacturing in Delhi:

*“I come from a farming family in Uttar Pradesh. My father works very hard and tried to make sure I had an education so I could get a good job but it became too difficult to feed all six members of the family and in the end we were all forced out to work.”*

*“My father was only able to earn Rs 1,000 a month from selling the vegetables he grew so he could no longer pay for my education and started borrowing money.”*

*“I would spend most of my time helping my father farm the land and care for the animals. Any free time was spent on studies. Once I got my intermediate education I left to find work in the garment sector to help my father pay his debts.”*

Poverty is exacerbated by the need for money for dowries and healthcare as well as existing debts and aspirations to buy land to obtain a more secure existence. Nanhe, a teenager working in a Delhi workshop, gave an example of this:



Not in school: embroidering in Delhi

*“Two years ago my mother became ill. We had no money to pay for her treatment so my father borrowed Rs 5,000 from a moneylender. Even though my mother was treated, the doctors could still not save her, so we borrowed money again to pay for her funeral. In order to pay off this debt I had to drop out of school and start working in a garment factory in Delhi.”*

Shahid, who is a 15 year-old garment worker has a similar story:

*“I come from Sair village in Uttar Pradesh. There are 13 people from my village working alongside me in the factory.”*

*“My father is ill and now can not work. My father borrowed Rs 20,000 from a local moneylender but cannot pay back the money. He gets harassed by the moneylender so I send a small amount to him every month.”*

*“My younger sister now looks after the family. I want to visit my father but I am pressurised by the work and have no time to go to my village. We are doing an order for an export company; I can probably take leave after completing this contract. If I go in between my owner will cut my salary.”*

Amongst the Muslims of Bareilly there is a tradition of applying sequins and other embellishments to garments. As international demand for such adornments has grown so too has the demand for workers with these skills. Family and community links with Sangam Vihar and Tughlakabad also work to bring workers to this particular area. Often children will be recruited from the same villages as the workshop bosses, indeed some are relatives. In other cases, family debt to workshop bosses means members are required to work off the debt. Hasnain remembers:



*"I come from the Bareilly district in Uttar Pradesh. My father is a construction worker but I came to work at the same factory as my brother."*

Suresh, who is only 14, describes:

*"Many people from my village work in garment factories in Delhi. I started working here in January 2009 as a helper and would work day and night if needed."*

*"We have no legal agreement with our boss and are not given any pay slip. We are often not paid on time. But we can't make any demands because if we do we will get sacked."*

Generally the child labourers are under constant pressure to send money to their parents. Annis, the 14 year-old embroiderer, says:

*"I send Rs 500 per month to my family. My father is sick. He became blind from embroidering all his life. He is too weak to work so I have responsibility to look after my family."*

Hence, in an effort to save money, they cook, eat and sleep in their workrooms, which can often house as many as 30 people in limited space and with inadequate toilet and washing facilities. Annis describes what this means:

*"We start working as soon as we wake up and do not even eat breakfast because the cost of food has increased drastically. We sleep in the same place where we work and all workers here share the same single dirty toilet and bathroom."*

Nanhe describes similar experiences:

*"This is a very hard job. We live where we work and the floor is our bed. We are under pressure to produce as many as pieces as we can. When we are busy we stay inside the factory for days at a time. Because we are only paid for what we make, we can't afford to have a day off."*

*"We all suffer with many health problems. My legs go numb from sitting all day and workers often become ill. We all live together in a very small area and use the same toilet. It is also impossible to go to hospital anyway because we can't afford it."*

Khalid, a 36 year-old garment worker, is despairing about the possibility of ever escaping the cycle of exploitation in the garment workshops of Delhi.

*"Workers fool themselves that they can earn enough money by working hard but they can only keep up this rate for the first month or two. Without proper food and*

*sleep, it becomes impossible to work so hard.*

*"You won't believe how many workers have died from the pressure of overworking. It's impossible to work 14-15 hours a day after overtime and survive. We sleep less than 5 hours a day and eat unhygienic food."*

*"The living conditions also create a lot of health problems. There is no free medical care and I spend Rs 200 on my health every month. I frequently get fevers, headaches and colds."*

Workshop bosses like to be assured that the workers are on call to work at all times to meet the demands of particular orders. Those orders with particularly short turnarounds can often mean children are required to work even more excessive hours to earn up to Rs 200, depending on the piece rate.

Hasnain describes:

*"I work around 12 to 14 hours a day and earn between Rs 4,000 and 5,000 a month. I spend around half of that just on my food."*

Annis notes that:

*"Children are paid a very low wage, only half as much as adults. My wage is also cut every time I make a small mistake. Most of the children can't read and we have to trust the contractor to be fair and pay us our wages but sometime he forgets to enter our proper wage into the accounts and so we lose money."*

Shahid, who is 15, notes that:

*"All workers in our factory are paid on piece rate basis. My monthly wage is Rs 2,000. The working atmosphere is very bad. I have never been in such a bad situation."*

One instance encountered by Anti-Slavery involved young workers sitting on the floor of a basement workshop stitching sequins onto skirts already labelled as *Wallis*. The young workers explained that the process to complete one skirt took about half an hour for which they were paid Rs 7, or the equivalent of about 10 pence sterling. In Delhi the legal minimum wage for semi-skilled workers is Rs 259 per day<sup>6</sup>. To earn this at the piece rate provided they would have to work over 18 hours per day.

When this matter was raised by Anti-Slavery with Arcadia Group, of which *Wallis* is a part, they conducted their own investigation into the matter and found

*"that the site which appeared to have implicated the brand was an unauthorised sub-contractor of a beading facility working with our supplier's factory."*<sup>7</sup>

<sup>6</sup> <http://www.paycheck.in/main/officialminimumwages/delhi/minimum-wages-in-delhi-1> drawn on the figures from the Labour Department of the Government of Delhi, 1st Feb 2011

<sup>7</sup> Letter from Arcadia Group to Anti-Slavery International, 9 Feb 2011



In December 2010, an Arcadia executive visited the supplier's factory and beading units involved, in order to further investigate the findings of our research. In a letter to Anti-Slavery, Arcadia noted that

*“Through these visits, we did not uncover any indication of the Sumangali nor the Camp Coolie scheme. We are working with our suppliers to ensure that they only use authorised units where they have greater control over working conditions. We intend to continue our investigations further into our Indian supply chain. In addition to our home workers project with SEWA in India, we are working with three key suppliers in the Gurgaon area of India to investigate and trace beading and sequin suppliers and their sub-contractors. In a similar project to our Migrant Workers’ Guidelines, our aim will be to produce guidelines for suppliers who use beading/sequin units to ensure the local law and our Code of Conduct is met and to liaise with local partners to monitor that this takes place.*

*“We have also reiterated to all suppliers the importance of knowing where our goods are made and ensuring all factories adhere to our Code. We continue to monitor this as part of our Ethical Trading programme.”<sup>8</sup>*

Wallis notes on its website that

*“When customers buy our goods, we want them to be confident that they have been produced under acceptable conditions. That means the goods must have been produced*

- *Lawfully, through fair and honest dealing;*
- *Without exploiting the people who made them;*
- *In decent working conditions; and*
- *Without damaging the environment.”<sup>9</sup>*

Unfortunately the complexity of many supply chains means current business practices to ensure ethical standards are often insufficient to achieve such laudable aspirations. Despite Arcadia's follow up on the specific identification of labour exploitation in their supply chain, to date Arcadia has made no public commitments to reform their commercial practices to reduce the risks of similar abuses occurring in the future. Further, as detailed below, they joined with other brands to undermine efforts to build a multi-stakeholder response to the abuses identified in this report.



Anti-Slavery International



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Above: Sequining skirts for Wallis for 14 rupees an hour in Delhi.

<sup>8</sup> Ibid.

<sup>9</sup> <http://www.wallis.co.uk/webapp/wcs/stores/servlet/StaticPageDisplay?storeId=12557&catalogId=33058&identifier=wl2-ethical-policy> – accessed on 8 October 2010



Anti-Slavery International/Dev Gogoi

## Chapter 3: *Sumangali* - a new name for the enslavement of girls and young women

*“We approached management seeking work for our relatives (later we came to know, that this is the usual way for people brokers to contact management). We had to cross security check ups, and face inquiries at various stages. When we reached a manager’s room we were asked to stay in a waiting room. We saw a boy in his dirty clothes sleeping there. From a short conversation with him we came to know that he had been waiting to meet his sister for more than two days. From the waiting room, we could also see the work site. A good number of female workers were engaged in different kinds of activities. Among them two girls came to a security guard, who called one of the girls, “Vellachi”, (fair skinned) and asked his permission to go out (probably to health centre located within the factory) to get medicine. The security guard, who was very close to them and had his hands resting over one girl’s shoulder until this point, changed his tone suddenly and said ‘No’.*

*“In front of us, there was a big size poster in a show case announcing a training programme for young girls. The poster read as follows.*

### SCM Textile Company

Great opportunity to have three years training with salary in SCM Textile Company

Qualifications:

Age: 16 to 22

Education: 8th to 12th standard

At the end of three years, earn 36 thousands (12 thousands per year) and Rs.10 thousands as provident fund, 46 thousands in total!

Contacts: XXXXX

The spinning of thread from cotton or other raw materials is amongst the earliest stages in the international garment trade: it is from this thread that the cloth for finished garments is woven both in Indian production units and in international production units to which the yarn may be sold. Southern Indian mills in places such as Coimbatore, Tirupur and Dindigul provide a substantial proportion of the yarn used by Indian garment manufacturer including, for example, *CTA*, *Orient Craft*, *Gaurav International* and *Richa International*. There are also reports that some garment manufacturers in China and Bangladesh also source their yarn from these regions of southern India.

Spinning mills require large numbers of semi-skilled workers to allow them to function throughout the year, generally stopping for only two festival days<sup>10</sup> a year. The mills work 24 hours a day, which is split into three shifts.

In the past spinning mills had largely male workforces, who, in the 1970s achieved permanent contracts with statutory benefits, and a smaller number of workers, often women, on short-term contracts. However in recent years the majority of spinning mills have ceased using male workers and married women. Instead the workforce is now composed in large part of girls aged between 13 and 18 years-old employed on a three-year contract with the promise of a final lump sum. This is known as the *Sumangali* system.



Identity card issued by a spinning mill to a worker contracted under the *sumangali* scheme. The picture is blurred to maintain her anonymity.

The Tamil word “*Sumangali*” is used to refer to an unmarried girl becoming a respectable woman by entering into married life<sup>11</sup>. However the word has become synonymous with a new practice for bonding the labour of girls and young women.

*Sumangalis* are recruited either directly by the management of factories or through the agents of the factories. In the case of recruitment through agents, the agents are paid a commission of Rs 1,000 to 2,000 per head.

The aim of the scheme is to recruit girls aged 13 to 17 to three-year contracts in the mills. The girls and their parents are promised that their daughters will get a large payment at the end of the contract period that would help them to arrange the daughter’s marriage. The value of the final payment (“*mercy money*”) varies according to the location of the mill. If the mill is located in more rural areas then the promise of Rs 25,000 for three years’ work is typical. If the mill is located in a larger city then the girl and her family may be promised anything from Rs 30,000 to Rs 60,000. However the workers are entitled to this payment only if the girl completes the three-year contract without any break or absence through either illness or holiday. For example Selvi worked in a mill in Palladam and was not paid for her 18 months’ work after she had to leave the mill due to ill-health. She recollected that:

*“After a year and a half I became very ill and struggled to breathe. Doctors found cotton in my lung and I had developed TB. The mill management did not give me any money for treatment and refused to pay me for my year and a half’s work.”*

During the contract period a monthly stipend is also promised. Typically the stipend would equate to a daily wage in the range starting at Rs 25 for the first six months to Rs 55 thereafter. An amount of Rs 18 to Rs 28 per day is deducted from the monthly wage for food and accommodation.

On recruitment the girls are classified as “trainees” or “apprentices” for the duration of their three-year contracts. The minimum wage in Tamil Nadu for textile apprentices is Rs 170.72 per day<sup>12</sup>. So even considering the upper figures quoted above, of a Rs 55 daily stipend and a Rs 60,000 final payment after three years, then the total amount received by a girl on a *Sumangali* scheme would only represent around two-thirds of what they are legally entitled to if paid the legal minimum wage set by the state government<sup>13</sup>.

This categorisation as apprentices is provided for under the Indian Industrial Employment Act of 1946. However the accounts of former *Sumangali* suggests that this is an abuse of the apprenticeship system in order to give employers some semblance of legality for the treatment they impose on the girls they have recruited. First, former *Sumangali* argue that the spinning mill work does not need three years’ training, but rather a few months. Second, except for a few supervisors all those employed in the spinning mills are classified as apprentices. In other words the bulk of the operation of the mill is done by workers who by definition are meant to be in training. This is a situation perpetuated by the employment practices of the mills which replace *Sumangali* whose contracts are terminated with new “trainees”.

<sup>10</sup> Deepali and Pongal

<sup>11</sup> *Sumangali* is also understood as synonym to *tirumagal* (Goddess of wealth), one who brings wealth to the family.

<sup>12</sup> <http://www.paycheck.in/main/officialminimumwages/tamil-nadu> drawing on figures from the Tamil Nadu Department of Labour and Employment, 19 March 2010

<sup>13</sup> Assuming a six day week for 50 weeks per year over a period of three years.



Selvi described the conditions in the mill where she worked:

*“268 workers stayed together in the mill hostel. For all of us there were just six toilets and bathrooms.”*

In Tulsimani’s mill there were:

*“...around 500 young girls of my age working in the mill. The mill hostel had 60 rooms, with 10 to 12 workers in each room.”*

In the mills the shifts generally are eight hours, with three shifts per day to ensure the mill operates around the clock. Workers have to be ready to work any shift, decided by the mill management. In addition to shift hours, there is often compulsory extra work. The duration of daily overtime varies from four to six hours. Sometimes the overtime work will be compensated with additional wages, but in the majority of cases no overtime wages are paid. For example, Mahadevi worked at a mill in Coimbatore, and she remembered that:

*“At first I only worked eight hours a day but soon we were made to work overtime without pay. We were not allowed a break and had to get permission from the supervisor even to go to the toilet.”*

*“Twelve of us slept in a small room and there was only one toilet and bathroom for all workers stayed in the hostel. We were given really poor food. The rice was dirty and we would find insects in it. Workers preferred to starve than eat that. We had to work with an empty stomach on most days.”*

As indicated in the accounts above, the girls who have been recruited to the mills are confined to the mill compound. Paradoxically this appears to be an attractive aspect of the scheme for parents who believe their daughters are in a safe place. For management this restriction means the workers are constantly available to work.

Occasionally, in some mills, on specific days the *Sumangali* would be brought to the nearest markets under supervision. But as Suruliyammal, noted:

*“If something is too urgent we would have to give a bribe to the watchman to get things.”*

The implications of the restrictions of movement imposed on the girls are compounded by the lack of holidays. In the majority of mills no weekend holidays are allowed and the *Sumangali* have to work throughout the year. In some mills workers are entitled to take six days leave per year. However if they take one day more, they are required to work one month extra to complete the contract period.

Their parents may be allowed to visit them, but frequent visits are not encouraged and parents generally are able



Hostel building within the grounds of a spinning mill in Tamil Nadu. Workers under the *sumangali* scheme are prevented from leaving the grounds of the factory

Anti-Slavery International/Dev Gogoi

to meet their daughters only to collect the monthly stipend. No meetings with outsiders are tolerated.

For many the harsh working and living conditions, extra working hours, and enforced confinement mean that, even if they wished, they would be unable to complete the three-year contract. A recurrent theme in the accounts of former *Sumangali* relates to ill-health, brought on by poor diet, poor hygiene in the hostels to which they are confined and the hazards associated with working with cotton. Mukkammal describes visiting her daughter who was a *Sumangali* working in a mill in Suler, Coimbatore:

*“I spoke to her in a room provided for visitors, because visitors are not allowed to go inside the mill or hostel. My daughter told me that she was suffering with fever and vomiting often. ...I met with the manager and requested him to give leave to my daughter because she was unwell. I told them that I would send my daughter back once she was better. But the management denied saying that there was a shortage of workers therefore they cannot grant leave. He also assured me that they would take care of my daughter and asked me not to worry.”*

A week later her daughter Panjavarnam was dead. She was only 20 years old.

Tulsimani was luckier. She described how, after working at a mill in Satyamangalam for a year and a half, she began to suffer:

*“...heavy body pain. Further, I began to feel numbness in my fingers. It developed and I could not work with my fingers. The mill management expelled me.”*

*“Doctors said that this was due to the mill work... Even today it is very difficult for me to move easily.”*

According to the accounts of former *Sumangali*, workers rarely complete the full three-year contract. Many who



struggle to complete the contract are forced to leave just before the end of the contract and consequently do not receive their promised final payments. For example Muthu was promised Rs 600 per month as well as another Rs 30,000 at the end of her three-year contract. She was not paid a penny after being fired just before the end of her contract. She recalled:

*“The first three months of my work was considered a training period so this was not calculated into the three-year contract. I was fed rotten rice and as soon as I joined the mill I developed stomach pain.*

*“After two years and eight months of working at the mill I was accused by the supervisor of stealing a jewel from a co-worker. I was fired and not paid for any of my previous work.*

*“We tried to fight it but were only given Rs. 2,457. We are poor and cannot fight against such big people. The cheaters should be punished.”*

Mahadevi who worked at a mill in Coimbatore had been promised Rs 40,000 for three years work, but, in the end was only paid Rs 10,000 after working for three years and seven months.

## Conclusions

There are a number of reasons for this preference for adolescent girls and young women as factory workers. First, the poverty of the girls and their families combined with their lack of experience claiming their rights renders them vulnerable to economic exploitation. Second, there are major social pressures on families to ensure they have a substantial amount of money for their daughters' wedding. This pressure is exacerbated if the girls are not attending school or earning and hence considered a burden on the family. Third, as they are generally classified as apprentices under the “*sumangali*” scheme they do not have the same rights in law as permanent workers.

Caste<sup>14</sup> and other prejudices are also commonplace across the sub-continent allowing for a further basis for discrimination and infliction of the abuses of forced labour upon poor and vulnerable people<sup>15</sup>. The India Committee of the Netherlands and SOMO note that:

*“Almost 60% of the Sumangali workers belong to the so-called ‘Schedules Castes’ or ‘untouchables’, the lowest group in the Indian caste hierarchy... The agents that recruit the girls play into this situation with promises of a good income and decent working*

*conditions. A recent report<sup>16</sup> ...notes that : ‘If the victim belongs to a comparatively lower caste or a low income group, it is taken as an advantage on the management side to pay her a relatively lower compensation utilizing the family members’ inability to negotiate or bargain with the employer.’”<sup>17</sup>.*

Girls, generally being physically weaker than men, are more easily intimidated by the camp and factory guards and kept in line. As noted above the restrictions on movement to which they are subjected are initially an added attraction to the scheme for the parents in that it is presented as a safety arrangement to physically confine workers to mill.

To young rural girls, who have limited options to alternative education or employment opportunities the offer may, at the outset seem attractive. Advertisements for the scheme emphasise not only the promise of the final payment, but also food and accommodation, the promises of further education past tenth grade, and exciting social possibilities.

The reality, as the accounts above indicate, is very different. The Chennai High Court noted on 3 Oct 2007:

*“Prima facie, we are satisfied that the “Camp Coolie System” which is also known as ... “Sumangali Marriage Scheme” is per se illegal and amounts to bonded labour”<sup>18</sup>*

<sup>14</sup> “The caste system divides people on the basis of birth into unequal and hierarchical social groups. Dominant castes enjoy most rights and least duties, while those at the bottom – the Dalits – in practice have few or no rights. They are considered ‘lesser human beings’, ‘impure’ and ‘polluting’ to other caste groups... Caste discrimination is outlawed in India, but implementation of legislation is lacking. It is estimated that in India there are more than 200 million Dalits” – from ICN & SOMO “Report on the *Sumangali Scheme*”, March 2011.

<sup>15</sup> See, Upadhyaya, K. P. (2008) *Poverty, Discrimination and Slavery: The reality of bonded labour in India, Nepal and Pakistan*, Anti-Slavery International: London

<sup>16</sup> Mr.K.Narayanawamy & Mr.M.Sachithanandam. 'A study to understand the situation of Arunthathiyar girls employed under the ‘Sumangali Thittam’ Scheme in Erode, Coimbatore, Tirupur, Viruthunagar & Dindigul districts of Tamil Nadu, India', 2010

<sup>17</sup> Joint report by ICN & SOMO, published in May 2011

<sup>18</sup> WP No 27362, High Court of Judicature at Chennai (Madras), 2007



Anti-Slavery International/Dev Gogoi

## Chapter 4: *Sumangali* and the manufacture of garments for international markets

Despite the recognition by the Indian Courts that *Sumangali* is a new form of slavery it is still widely practiced in the spinning mills of Southern India. This means that forced labour and, given the ages of the girls recruited for *Sumangali*, in some instances forced child labour, is implicated in the production of garments for domestic and international markets.

This chapter explores the evidence for *Sumangali* practices in three Indian businesses with international links in the Tirupur region of India and the evidence that *Sumangali* and other forced labour practices is used in the production of garments for international markets.

### **SCM Group**

According to its website<sup>19</sup> *SCM Group* is composed of seven businesses: *The Chennai Silks*, a retail chain, *Sree Kumaran Thanga Maligai*, a jewellery production and retail business, *The Chennai Silks Jewellery Mahal*, another jewellery production and retail business, *SCM Garments (P) Ltd*, a garment production

and retail business, *SCM Textile Spinners (P) Ltd*, a business that spins yarn for *SCM Group* production and for direct international sales, *KTM Jewellery (P) Ltd*, production and retailing of jewellery, and *Aathava Garments*. Each company has several branches situated all over Tamil Nadu.

With regards to Corporate Social Responsibility, *SCM* says:

*‘our role and responsibility as a corporate citizen is the underlying factor behind all our operations. None of our units employ child labour’*

The website of *SCM Garments* notes that:

*“Through the years, we have been associated with renowned brands and retail stores in Europe, USA & Canada. Our distinguished clients include Decathlon, Tesco, Carrefour, Marks and Spencer, Lindex, C&A, Hanes Brand, Polo, Ralph Lauren, NEXT, Kiabi, Columbia Sportswear, Bhs, Wal-Mart, Aldi stores, Guess Jeans & Spring Field.”*<sup>20</sup>

<sup>19</sup> <http://www.scmgroups.com/groupcompany.php> - 8 Oct 2010

<sup>20</sup> <http://www.scmgarments.com/exports.html> - 8 Oct 2010. M&S have informed us that they are not a customer of SCM. As of 20 December SCM's website no longer lists M&S as a customer.

SCM Textile Spinners note that:

*“Our brand ‘Madras Yarn’ has been well received in the international markets. The countries that we cater to, include USA, Germany, Italy, Hong Kong, Singapore, Malaysia, Indonesia, Thailand, Korea, Taiwan, Mauritius, Sri Lanka, Iran and Egypt. Spurred on by the success of Madras Yarn, we are looking at tapping more markets in the near future.”<sup>21</sup>*

The headquarters of *SCM Garments* is located in Tirupur and branches of garment and spinning units of *SCM Group* are located in Tirupur, Avinasi, Coimbatore and Erode. For garment production, all of the processes, from spinning to packing, can be done within the integrated units of *SCM*, with spinning mills located just adjacent to the main garment factories in Thekkaloor and Avinasi.

*SCM Garment* is one of the largest groups in Tirupur and it employs thousands of workers. One large *SCM* unit employs around 3,000 workers, the majority girls and contract workers.

The research commissioned by Anti-Slavery International found that in *SCM Spinning* many girls had been recruited through the ‘*Sumangali Scheme*’ (which it calls “*training scheme for fresher*” (sic)). However when interviewing a manager under the guise of seeking work for female relations, a researcher for Anti-Slavery was told “*Now we have changed the [three-year contract] scheme*”.

One female worker, Bhavna, interviewed as part of the research said she likes working in *SCM* and had made good friends with several other girls. She described joining *SCM* on a three-year contract when she was 16 years old, but said she was unaware of the promise of a fixed payment at the end of that time. She was not sure why she was sent to *SCM*, but that her parents felt it was unsafe for a girl to stay in her village. She was sent to *SCM* through a contractor who also belonged to the same village. During the first year, she received around Rs 1,000 each month, stayed in the hostel and was not allowed to go out during her free time. She corroborated to some extent the manager’s assertion that the three-year contract scheme had been changed, saying that her own three-year contract had been changed and that she was now earning Rs 2,000 per month, and working a 12-hour shift, where previously she had been working an eight-hour shift and overtime. She was not clear whether she would get any additional payment at the end of three years.

This confusion on final payments is not restricted to Bhavna. In the course of this study our researcher interviewed three sets of parents whose daughters worked in *SCM* factories. Each was under the impression that their daughters would receive a bonus after completing three years’ work. It was the promise of the bonus, which could cover the cost of the girls’ marriages,

that made work in the factories seem such a positive option to the parents.

Malar from Pazhaur, Trichi district of Tamil Nadu, works in an *SCM* spinning mill and receives Rs 1,300 per month, of which a certain amount is deducted for food and accommodation. She is 15 years old and joined *SCM* right after the completion of her 10th standard in school. Her parents said they had been assured of Rs 46,000 at the end of her third year’s work. They wanted to save this money for her marriage. They came to know about *SCM* work through an employee in a *SCM* textile retail store, located in Trichi, who acts as a broker in this region. There are around 10 girls from the same village working in *SCM*. Malar’s parents asked *SCM* management to deposit their daughter’s monthly salary in her bank account and they reported no delay in receiving the monthly salary. Both parents preferred to send their daughter to the mill than into agricultural work.

Bagyam’s parents are from Tiruchi. They sent their daughter for six months training conducted by a *SCM* broker from their locality – it was held in a Birla cement store in Tiruchi. During the training period Bagyam did not receive any salary, but still had to work for eight to 10 hours daily. After the six months training, the broker sent the trainees to *SCM Garment* for a three-year contract with a monthly salary of Rs 1,500. Bagyam’s parents are not sure about the exact amount that may be given to a worker at the end of third year, but they trust the broker and “*they [the broker] know everything and will get the amount to us*”.

Masila’s parents came to know about *SCM* through their daughter’s school teacher, who introduced them to a broker. The broker brought his vehicle and also invited the parents to visit the factory along with Masila so they could understand the situation in the factory. The parents reported that there were around six girls from their village who joined *SCM Garment* along with their daughters. Except for two, all other workers returned to their village after completing only a few months of work.

These and Bhavna’s stories are representative of the experiences of many of the workers in *SCM* factories. Girls are recruited from remote villages in drought affected areas such as Madurai, Trichi, Ariyalur, Thiurpathur and Thiruvannamalai Districts. The precariousness of existence in these areas is a key reason why parents may want to see their daughters getting employment elsewhere. The girls are generally brought into *SCM* employment by brokers. People local to the *SCM* factories understand that the brokers are paid Rs 1,000 per head. It was reported to our researcher that in some cases, as with Malar above, *SCM* retail stores (*The Chennai Silks*) around Tamil Nadu collect workers from those areas and send them to *SCM Spinning* and *SCM Garment*. The majority of the girls are under 18 years old, and some girls are reported to be less than 14 years old.

<sup>21</sup> <http://www.scmspinners.com/exports.html> - 8 Oct 2010

The reports gathered as part of this research indicate that girls working in these factories experience similar restrictions to their freedom of movement and exploitation of labour as are typified by the experience of *Sumangali* elsewhere. Twelve-hour shifts are typical and workers are frequently required to work seven days a week and additional night shifts. There does not appear to be overtime payments for work in addition to the 12-hour shift, though the monthly salaries now appear to be approaching minimum wage. It is unclear whether *SCM* intends to make a final three-year payment to contract workers, but it is clear that in many instances parents are acting in the belief that such payments will be forthcoming.

Girls are not allowed to leave the premises of the factory during their free time and only very rarely allowed to go home. Only parents are allowed to visit and this only very occasionally.

In some of the *SCM Garment* factories, boys generally recruited from Orissa, Bihar and Uttar Pradesh, are employed. They typically work in areas such as tailoring and cutting, and are generally better paid than girls working in spinning or other areas, reporting salaries of Rs 2,500 to Rs 4,000. They, like the girls, are generally required to stay in the factory hostels and eat in the factory canteens. However, unlike girls, they are allowed to go out during their rest time. Consequently it was possible to meet some of these workers outside the factories. When asked about the three-year contract scheme they said this was available for everyone not just girls. All workers are expected to stay in an *SCM* hostel and work for a minimum of three years. They described a variety of methods to ensure that employees stay attached to the factory for this period. These included:

- requiring employees to deposit their school certificates;
- not allowing the contract workers to claim any portion of the promised end of contract payment before the end of the third year;
- keeping the daily wage far below the national legal minimum wage by promising a lump sum payment at the end of the third year;
- not allowing male workers to leave the factory with their luggage;
- stopping female workers from having any communication with outsiders;
- forcing female workers to always stay within the factory compound, generally in the name of their own safety.

A 16 year-old male worker, Baheen, who was interviewed for this research explained:

*“See, I am here on the outside, discussing with you. If I was able to come out with my luggage I would have gone to my village. I am just contemplating how to escape. These security guards will not allow me to take my luggage out...There were a number of boys who even did not bother about their bags, they just ran away...It is usual that boys will try to escape after getting their salary. The security guards know about it, they will be watchful on that day.”*

People living locally to the *SCM* factory in Maga reported that a year earlier a girl was seriously injured when she tried to escape from the *SCM* hostel by jumping over the wall. The girl was taken into a hospital in Avinasi where she died after being in a coma for three days.

There were several other reported instances of girls who were said to have escaped from the hostel, usually at night, approaching the villagers for help to get the bus fare home. Local people also recalled one occasion of the father of a female worker bringing his neighbours and the police to obtain the release of his daughter from the *SCM* spinning mill, and another instance of the parents of a female worker seeking the help of local social activists to get their daughter’s contract money since she left before the end of contract period. They recalled several other cases of parents taking their daughters home without receiving the promised payment.

Baheen also described how every day he works two hours extra on the night shift and he is not sure whether any additional payment is included in his salary. None of the workers met by Anti-Slavery’s researchers had ever received a pay slip.

Some of the workers in these factories appear to have been subcontracted by labour contractors, with some working on a piece rate and some paid monthly. Workers who have a direct contract with management reported receiving ID cards and contract papers.

### **Key learning points from the *SCM* case**

The accounts gathered from workers, parents of workers and people living locally to *SCM* factories suggests that, particularly in relation to girls, a number of forced labour practices are in evidence. These include restrictions to the freedom of movement and withholding documents to compel employees to work. In addition to this there is a question of inequality of pay between boys and girls, with boys paid up to twice as much for work that, on the face of it, is very similar.

The lack of clarity around the issue of a final payment after three years suggests that deception is also being used to make girls and their families acquiesce to the exploitative working and prison-like living conditions in which they find themselves in the factories. It is possible that the pressure from Indian courts, recognizing the *Sumangali* system as debt bondage, is leading some businesses to curtail aspects of the practice without making serious efforts to eradicate forced labour from their operations.

In summary Anti-Slavery International’s research indicates that there is a *prima facie* case that the *SCM Group* systematically uses the forced labour of girls in its production. Consequently businesses that source garments from *SCM Group* face the high risk that they are sourcing garments produced by slavery-like practices.

Both *SCM Group* and its customers have a moral and legal responsibility to end these slavery-like practices immediately.



## Eastman

*Eastman* is a garment exporter, with a “current business volume of USD \$225 Million per Annum”<sup>22</sup>. Its head office is in Tirupur while it has a major factory located in a place called Perundurai, 40 km from Tirupur. In its head office (No.30 Bungalow Road, Odakkadu, Tirupur), there are over 1,000 workers. It also has a separate hostel for girls. It is reported that tailors there receive Rs 170 to 200 per day depending on the number of pieces they produce. Generally female workers are employed in checking and packing and they earn Rs 80 to 100 per day. The head office also has merchandisers’ offices. These are responsible for sample making and getting orders from the buyers.

About 2,000 to 2,500 workers are employed in *Eastman*’s major factory located in Perundurai, in which there are different sections such as cutting, stitching, checking and packing. Tailors are paid on a piece rate from Rs 120 to 150 per day. Women involved in checking are also paid on a piece rate of Rs 70 to 90. Most of the female workers stay in a factory hostel. They are not allowed to meet outsiders and are subjected to work whenever the management ask them. Workers are employed through management as well as through sub-contractors. Sub-contractors decide the wage levels and facilities of their workers.

There are two other production units of *Eastman*, which are also located in Perundurai. More than 4,000 female workers reside in the factory hostel.

*Eastman* claim as their customers in the European Union a long list of well-known brands including:

“C & A; Decathlon; Gruppo Coin; Diesel; Migros; Bestseller group, including Jack & Jones, Only, Name It, Outfitters Nation; Timberland; Quicksilver – Roxy; Next; Inditex group including – Zara, Bershka, Oysho, Pull & Bear, Stradivarius; Hubermasche; Cortefiel group, including Spring Field, Womens Secret; Lahalle; Jules; Pimkie; Guess; S.Oliver; Rivaldi; Petrol; Boden; Desigual; Umbro; Converse; Bhs; El Corte Ingles; Itaco; Jeans Centre; Klingel; Levi’s; Marks and Spencer; Matalan (Easy, Lee Cooper); Mexx; New Yorker; Nike; NKD; River Island; We; No Excess; Biaggio; D Pam; Ecko Asia; Lazensa; Kappa; Freesoul; Sting; Hering-Brazil; Garcia Jeans; Replay Jeans; Chicoree; Vetir; Calvin Klein; Japan Racks; Kids Headquarters”<sup>23</sup>

The list of customers in the US that they provide is shorter:

“GAP; JCPenney; Express; Tommy Hilfiger; Sears / K.Mart; Maramax; Kenneth Cole; Polo Ralph Lauren; Fallabella; Ivory International; Victoria Secret; Izod; Cut Throat Golf”<sup>24</sup> (sic)



Bonded family working in a sequining workshop in Delhi

The firm has grown rapidly. Deyva, a former *Eastman* worker in the 1990s recalls that then there were around 500 workers in the company. The expansion seems to have been facilitated at least in part by the replacement of permanent male workers with lower paid contract women workers. It is now estimated that there are around 15,000 workers in all of *Eastman*’s factories, many of them young girls confined to hostels.

The profitability of reducing labour costs is indicated by a former *Eastman* manager who Anti-Slavery spoke to in the course of its research:

“Approximately in total production cost, 40 per cent will go for labour cost, which includes the wages of merchandisers, workers, supervisors and managers. Five to 15 per cent will go to buyer’s office. 10 to 20 per cent will go as owners’ profit... If Tirupur manufacturers are not ready, Chinese and Bangladesh people are ready to do that. The labour cost is very low there. Since *Eastman* have several integrated units... They can make up their profit in one or other stages, spinning in particular.”

The company notes on its website that “Our manufacturing operations are vertically integrated to facilitate all the processes under one roof”<sup>25</sup>, and that, “A fully fledged spinning mill with a spindle capacity of 70,000 meets our captive production requirement of 45,000 kilograms of yarn per day”<sup>26</sup>. *Eastman* purchase yarn from its own subsidiaries, the *Eastman Spinning Mill* and *ET Spinning Mill*, both of which are located in Dindigul. They also source yarn from Pannariyamman Spinning Mill and Kukan Spinning.

The research conducted by Anti-Slavery indicates that this spinning is undertaken by a predominantly female workforce, generally aged between 16 and 22 employed under three-year contracts with a promise of a bonus on completion of the contract of Rs 30,000 to 35,000.

<sup>22</sup> <http://www.eastmanexports.com/group.html> - 8 Oct 2010

<sup>23</sup> <http://www.eastmanexports.com/patrons.html> - 8 Oct 2010. Levi’s report that due to unsatisfactory conditions they ended business with *Eastman* in December 2010.

<sup>24</sup> <http://www.eastmanexports.com/patrons.html> - 8 Oct 2010

<sup>25</sup> <http://www.eastmanexports.com/operations.html> - 8 Oct 2010

<sup>26</sup> <http://www.eastmanexports.com/operations.html> - 8 Oct 2010

However they receive none of this if they leave before the completion of three years' work. In addition to the promise of a final bonus they are paid Rs 60 to 80 per shift, from which deductions for food and accommodation are made. Girls working for *Eastman* are, as with *SCM Group*, confined to their hostels for the duration of their employment, though they do receive holidays of six to 10 days every six months. When taking holiday their parents must collect them from the factory compound.

There are also women, mainly divorcees and widows, under the same scheme. Women from nearby villages are also working without staying in the mill's hostel. Their wages are between Rs 80 and 100 per shift.

The girls living in the hostels are required to work 12 hour shifts determined by management. If there is a shortage of workers, the hostel-based workers are required to do overtime, although it is understood they do receive additional pay for this.

A former *Eastman* manager interviewed in the course of this research noted how the pressures from customers could cause production difficulties:

*"They give very short period to complete an order. We had to struggle a lot to meet the deadlines. Generally the lead time would be three months. If we send the sample they will take time to approve it, but once it is approved they will give us a brief period to complete the order. We cannot do it with our own capacity even though we have all facilities and thousands of workers. We need to outsource to independent units."*

In other words the demands of the customers can lead not only to severe pressure on workers working for the contracted supplier, but can also mean that the supplier in turn sub-contracts to others, possibly leading to more exploitative labour practices, in order to meet the demand.

The process of transition from a permanent male labour force to a more transient female workforce triggered attempts to unionise to protect male workers' jobs. This ultimately failed. Accounts of this effort in the research reveal concerns that workers would be subjected to threats and violence from management if they became involved in union activities. Ultimately all the male workers were replaced by young women and girls who were recruited on markedly poorer terms and conditions.

### **Key learning points from the Eastman case**

Again there is strong evidence that the young girls working in *Eastman* factories are doing so under circumstances of forced labour. Their freedom of movement is restricted by their confinement to the hostels, and the requirement of working towards an end of contract bonus is recognized by the Indian courts as a form of debt bonded labour.

In both the case of *Eastman* and that of *SCM* it is clear that the families' poverty and conservative attitudes towards the role of girls in society, coupled with genuine concern for the safety of their daughters, contribute to collusion with the factory managers' desire to establish a cheap and flexible workforce, available 24 hours a day to serve the production needs of the factory's customers.

It is also clear from this account that a significant pressure on cost reduction comes from the procurement practices of international businesses, which emphasise low cost and fast delivery above labour conditions. This international tendency in procurement practice appears to be a significant catalyst in driving exploitative labour practices in Indian manufacture. Producers seek the means to meet production demands at low cost in a globally competitive environment, where there is a constant fear of losing out to manufacturers in other lower cost countries. The construction of factories where deskilled processes can be undertaken by transient populations of young female workers kept in enforced confinement and so available to manufacturers 24 hours a day goes some way towards allowing manufacturers the capacity to meet the demands of international procurement.

### **Prem Group**

*Prem Group* is a major garment manufacturer, employing an estimated 20,000 workers, in and around Tirupur. *Prem Group* has established a partnership with Switcher, a Swiss retailer. The two work closely in the production of garments and Switcher notes that:

*"In 2001, Prem Group in India, the main supplier of Switcher T-shirts in Switzerland, successfully qualified for the SA8000 certificate issued by SAI. Today, the CCA [Corporate Conscience Award] has been awarded to Switcher and Prem Group in India for best application of the code of conduct. This prize has, in particular, been granted in recognition of the work done by Switcher SA and Prem Group to improve the conditions of employment of workers at the Indian factory in Tirupur."*<sup>27</sup>

The Switcher Group code of practice referred to above is published on *Prem Group's* website and included in the appendices. It represents a highly thoughtful and thorough standard, referring to appropriate international labour standards. However, research by Anti-Slavery suggests that key provisions of the code of practice are not being applied.

In the course of this research Anti-Slavery researchers spoke to Vinoth<sup>28</sup>, a Human Resource Officer responsible for labour recruitment in *Prem Group*. He mistakenly presumed the researchers were people brokers and consequently was quite open about *Prem* recruitment practices. Our researchers presumed he was trying to recruit them to help him by supplying female workers.

<sup>27</sup> <http://www.switcher.ch/english/about-switcher/sustainable-development/corporate-conscience-award.php> - 8 Oct 2010

<sup>28</sup> Pseudonyms are used throughout this report.



Sumangali girl from a spinning mill in Tamil Nadu

Vinoth noted that almost all workers in the Thutheripalayam units are migrants staying in hostels provided by *Prem Group*. The majority of boys are from other states while girls are mainly from Tamil Nadu and Kerala. Many are from drought affected areas of Puthukkottai, Tanjore, and Ramanthapuram in Tamil Nadu. The *Prem Group* spinning units employ workers promising a bonus at the end of three years:

*“Twice a month the managers in charge of workers’ recruitment go in company buses to stay in a particular village for two or three days. Through local assistants, they will distribute recruitment notices preferably to young boys and girls below 18 years of age. Those who take up the company offer return with the managers and are assigned to different work units of Prem Group. The most young and inexperienced workers are generally sent to work in the spinning mills on a three year contract. The spinning mills have their own hostels inside the mill premises and those working in garment knitting units will be assigned to a hostel associated with that unit.”*

There are two spinning units, namely *Classic Spinning Mill* and *Premdurai Spinning Mill*, both of which are located in Palladam. In the course of research Anti-Slavery met with three young women who had worked in *Premdurai Spinning Mill*. According to their accounts, they were employed on contract basis, but found the living conditions intolerable and left after three months. During that time they received only food for their work and “not even Rs 10 to have tea”.

Amongst the local population and former workers it is believed the workforce is largely transient. Kajan, a former worker who was made unemployed as part of a company rationalisation process in *Prem Group* notes that

*“Now there is no single permanent worker. All are contract workers, particularly girls from distance places. They stay in the mill and work.”*

Another former contract worker in the mill, Adhi, described the situation of the contract workers:

*“They are getting a minimum amount as their monthly wage and Rs 30,000 if they stay in the mill for three full years. Most of them cannot survive here. They used to leave the work after one or two years. Those who were able to complete three years were also cheated by the management. They are illiterate; they would not fight with management. To them it is big amount because they might not get even this much money from the agricultural work in their village. They work 9 to 12 hours, but receive one shift (eight hours) salary. They are not allowed to go out. Once in a week, they will take them to Palladam market and allow them to take one hour for shopping. They cannot use phones within mill premises. They will not allow them to go home, because if they go home, they will not come back.”*

Other former female workers for *Prem Group* who were interviewed in this research repeated that their freedom of movement was curtailed when they were in the hostel. This would appear to contravene the spirit of Switcher’s own code of practice (see appendix), although the last element of that code does seem to offer some basis for restriction of freedom of movement in the name of safety, something, noted above that appeals to many of the girls’ parents:

*“Dormitory residents are free to come and go during their off-hours under reasonable limitations imposed for their safety and comfort”<sup>29</sup>*

Adhi described her own experience as a contract worker:

*“I have been working in Classic Mill for last nine years under different schemes. At the beginning it was Rs 40 per day and Rs 10,000 promised at the end of the third year. They gave me Rs 60 per day and promised Rs 10,000 after three years. Finally I received Rs 95 per day without any final contract money. During the contract period they gave me food and accommodation. For food they would deduct a little amount and the accommodation was free. However, at the end of the contract period they used to abuse us so that we would leave work without taking the contract money. Every time, I used to fight with them. Several girls left without taking the contract money. I was brought here through a broker. He told me at the beginning if I would work for five years we would be made permanent. But it did not happen. All others who joined along with me left the mill. I had to stay here because I married a local person here. At the time of joining, they forced us to sign on 10 white blank sheets. When buyers from foreign countries come to visit us, they will force us to say all lies—about salary, overtime, contract scheme, etc.”*

Kajan suggests the deception of foreign customers is not restricted to the terms and conditions of the employees:

<sup>29</sup> Emphasis added



*“They constructed a school nearby our mill. They said this is for the welfare of workers and the local villagers. At the beginning, they did not ask any fees ... They began it with an elementary school and then developed a middle school. But in course of time, they began to reduce the number of classes, now they have up to 5th standard. Now there is talk that they are going to stop even this and want to convert the school building into a hostel. It is said that the teachers are not paid regularly. However, whenever foreign buyers visit, the owners take them to see the school. They just want to project that they are responsible to local people and workers. Nobody benefited from it. I am sending my children to a corporation school, because the mill’s school is not permanent. They will close it at any time. They are just keeping the school in order to show to buyers. Otherwise they would have closed it long ago.”*

### **Key learning points from the Prem Group case**

This case study suggests that, in spite of the thoughtful engagement by a western retailer to try to ensure an ethical supply chain that significant abuses can still occur. This suggests that new approaches need to be developed to ensure the eradication of forced labour from the supply chain.

## **Conclusions**

The three case studies outlined in this report indicate that the practice of exacting forced labour from girls and young women is commonplace in garment manufacture around Tirupur, particularly in spinning. It is indeed probable that such abuses are practised more widely across India. These slavery-like abuses emerge because of a conjunction of interests between factory bosses, who want a cheap, flexible workforce able to work around the clock to meet the demands of customers, and the parents of the young female factory workers who regard the offer of a job in a secured environment as being a relatively positive option for their daughters. The girls themselves may initially enter into employment contracts in the hope that it will lead to a better life for them. As in so many parts of the world and so many industrial sectors forced labour and slavery begins with the exploitation of people’s hopes for a better life.



Dress sewn for international market in the workshop in Delhi

# PART 2

## Responses





Anti-Slavery International/Dev Gogoi

## Chapter 5: Seeking commitment to action

Anti-Slavery International's aim in conducting this research is not just to investigate and reveal the reality of conditions in the garment supply chain but to mobilise action to eradicate these slavery and slavery-like practices. In particular, Anti-Slavery sought commitment from garment retailers who source from India and therefore have a degree of influence through their supply chain to put a stop to this exploitation. With this in mind, in late 2010, Anti-Slavery, together with CEC, presented the research findings to brands, and again later to a wider group of stakeholders, to seek their response.

As a member of the Ethical Trading Initiative, Anti-Slavery is aware that many brands have in place codes of conduct and auditing programmes which seek to meet their public commitments to ethical trade. However, our research reveals that existing practices are not sufficient to guarantee clean supply chains or address exploitation of workers. Anti-Slavery firmly believes that companies can, and should, be doing more.

Anti-Slavery invited the Ethical Trading Initiative to co-host meetings to share our findings. Recognising the implications of our research for brands named in the

report, Anti-Slavery first invited these companies to a closed meeting in November 2010 in London, UK, opening out discussions to a wider group of brands, NGOs and trade unions at a second meeting also in London, held in January 2011.

Reactions reflected widespread acknowledgment of the specific abuses and challenges highlighted by Anti-Slavery in the garment sector, although the gravity of the exploitation had not been appreciated by all. Thanks to the work of CEC, public meetings<sup>30</sup> and also a number of articles<sup>31</sup> on the *Sumangali* scheme have been carried in the Indian local and national press, raising awareness of this practice within India. Brands recognised that more needs to be done to address these modern day forms of slavery.

### The use of child labour and unauthorised subcontracting in Delhi

Much remains to be done to address the exploitation of workers, many of whom are children, working on garment finishing, such as embroidery, applying sequins and bead work in Sangam Vihar and Tughlakabad districts of New Delhi. However there are examples of good practice,

National Conference "*Sumangalis: The Contemporary Faces of Bonded Labourers*" on May 28, 2010 at Madurai, Tamil Nadu and Meeting of Findings of the Study on Slavery and Production Markets in India held in Dindigul, Tamil Nadu, on October 2, 2010.

A full list of articles can be found on CEC's website: [http://www.cec-india.org/index.php?option=com\\_content&view=article&id=1968:bonded-labour&catid=93:media-coverage&Itemid=225](http://www.cec-india.org/index.php?option=com_content&view=article&id=1968:bonded-labour&catid=93:media-coverage&Itemid=225) accessed 5 May 2011.



which show how this exploitation can be addressed to improve the lives of workers.

The Ethical Trading Initiative has been working to raise the conditions of homeworkers and other informal workers in this sector since 2006, through pilots run by the multi-stakeholder National Homeworking Group (NHG)<sup>32</sup> in both Sangam Vihar and Bareilly (Uttar Pradesh), another hub for garment embellishment. Progress has been made in workers' access to health and social security, through lobbying for better schools provision, and to a limited degree around wages. Through the NHG, several UK retailers and their suppliers are piloting systems to monitor and improve the wages and conditions of informal workers in sub-contracted supply chains in a way which could be replicated across the sector.

Anti-Slavery recommends that companies, both retailers and their suppliers, join and commit resources to the work of the Indian NHG, and that it builds upon achievements to date in Sangam Vihar and applies its learning to Tughlakabad district of New Delhi, where our research has shown that exploitation is a feature of the informal garment industry, as well as to other regions of India where informal employment prevails.

### The *Sumangali* scheme

Since conducting the research for this report, CEC has been involved in efforts to end the use of the *Sumangali* scheme in Tamil Nadu. The Tirupur Stakeholders Forum began meeting in 2010 to address challenges in the garment industry. It is convened by the Tirupur Exporters Association and is regularly attended by CEC, SAVE, a local NGO, the Brands Ethical Working Group and local trade unions. The Forum meets frequently to discuss concerns in the garment industry, including the *Sumangali* Scheme. In addition, Anti-Slavery attended a meeting convened by CEC, the umbrella civil society group Tirupur People's Forum and the trade union Hind Mazdoor Sabha in March 2011, in Coimbatore, Tamil Nadu, which brought spinners' associations to the table.

Reports suggest some units, particularly those having integrated garment export operations, have taken steps to eradicate the *Sumangali* Scheme, in particular by removing the offer of a final lump sum payment to workers and increasing the daily wage, since the research findings have been publicised. Although this apparently removes the bonded element of the scheme, Anti-Slavery remains concerned that workers' freedom of movement continues to be restricted, as hostel rules continue to be enforced, making them vulnerable to the use of coercion to extract labour. Should this be the case, then workers would be in forced labour.

However Anti-Slavery recognises that sustainable change will only come with local commitment and efforts and

therefore commends the work of the Tirupur Stakeholders Forum. To support these important local efforts, Anti-Slavery is focused on what can be done internationally on the part of brands, NGOs and trade unions. The Statement of Intent was the result of these discussions and is an outcome of negotiations. As such it represents a compromise by all parties. Nevertheless it does represent a commitment to a programme of work that could have a significant impact on the manifestation of slavery in this industry if implemented with rigour and sustained over time.

## Eliminating *Sumangali* & Camp Coolie abuses in the Tamil Nadu garment industry

### Joint Statement of Intent

#### Introduction

*The textile and garment industries are vital to economic development in South India, offering employment opportunities for thousands of workers and vital foreign exchange earnings from international trade. It is also important to the supply chains of many international retailers.*

*Recent research carried out by Anti-Slavery International has revealed labour practices in the textile and garment sector in Tamil Nadu, South India that contravene international standards and local law. In particular, it reveals use of different types of forced and bonded labour practices as well as the worst forms of child labour<sup>33</sup> particularly in mills. Examples are known as "Sumangali" and "Camp Coolie" schemes.*

*A group of concerned parties, including major retailers, clothing brands, NGOs and trade unions, have held a series of meetings to better understand prevailing conditions and agree collective ways in which local efforts that are underway can be supported to address the issues revealed in the research. At the same time local stakeholders have been holding a series of meetings to develop local plans and initiatives, which we applaud. We recognise that the schemes known as Sumangali and Camp Coolie, while in need of particular attention, represent only a part of a broad range of labour issues that need to be addressed in order to achieve decent work.*

*This joint Statement of Intent sets out commitments made by its signatories to support significant change in the industry, so that illegal and unacceptable practices are eliminated and working conditions are improved, in particular for women and young workers.*

<sup>32</sup> Current members are: Retailers: Gap Inc., Monsoon Accessorize and Next plc (founder members), M&S and Primark; Exporters/suppliers: Aesthetics, Radnik, Nandeetas, Signet - Corp, Details, V and S, Orient Clothing, Ranika Design, Li & Fung, Impulse; Trade union: Hind Mazdoor Sabha (HMS); NGOs: Centre for Education and Communication: SEWA (Self employed Womens' Association).

<sup>33</sup> See Article 3 ILO Convention 182

**Expression of concern**

Evidence shows the existence of slavery practices in the industry including forced and bonded labour, particularly of young women and Dalits, and worst forms of child labour, particularly of teenage girls. The signatories to this joint Statement of Intent recognise that these practices are absolutely unacceptable, are in contravention of Indian national law and international conventions.

We agree that urgent collective action is required to ensure that:

1. ILO Convention 138 on the minimum age for employment and hazardous employment is respected in the garment and textile manufacturing sector in Tamil Nadu.
2. Workers receive compensation for wages owed and health issues/damage arising from employment conditions, through the establishment and implementation of procedures based on the legal obligations of the employers and the state, and the responsibilities of sourcing companies.
3. There is an end to all contract schemes that enact bonded labour by for example use of final lump sum payments.
4. Constraints on workers leaving their jobs are removed.
5. Workers receive contracts in a language they understand, which comply with national legislation and international conventions, and which clearly state rates of pay, overtime pay, working hours and paid holidays. Costs of accommodation and food, where provided, are clearly stated.
6. Workers should have access to appropriate safety equipment and health facilities.
7. Workers enjoy their rights to freedom of association and collective bargaining as prescribed in ILO Conventions 87 and 98.
8. Workers enjoy freedom of movement, specifically that all workers can leave their accommodation in their free time.
9. Workers' access to trade union representation is facilitated and workers are informed of their right to join a trade union and their right to have this recognised by employers, free from any negative repercussions.
10. Payment of at least a minimum wage for a basic eight-hour shift should be enforced. Any overtime must be voluntary and paid at premium rates. Wages must be paid regularly (weekly/monthly) with guaranteed transparency. Deductions for accommodation and food should comply with national legislation and contractual obligations – deductions should be clearly itemised on payslips.

We also support work towards continual improvements in employment practices and working conditions such as:

- Where accommodation is provided it must be suitable and safe, without intrusive surveillance, which could

constitute a violation of the right to privacy.

- Workers are facilitated with access to independent pension and savings facilities (preferably other than their employers, with NGO and trade union oversight).
- Employers fulfil their statutory requirements to ensure that workers have access to health services and insurance.
- Significant progress is made towards paying a living wage, that is a wage that is enough to meet basic needs and provide some discretionary income for the worker and his/her family.

**Next Steps**

To ensure sustainable solutions to eradicate slavery practices are rooted in local action and promote effective collaboration between government, industry and local civil society, including trade unions, the signatories to this Statement of Intent agree that the following principles should be adhered to:

1. **collective action:** including industry, local NGOs and unions working with government;
2. **inclusivity**, so that victims of slavery and labour abuses, workers and all the major stakeholders in the supply chain are involved, including but not limited to mills and manufacturers;
3. **clarity** of goals and milestones;
4. **transparency** of collective action plans, governance and progress;
5. **sustainability** to ensure that the impact of our actions is lasting.

The immediate actions will be:

To develop a comprehensive and detailed three-year plan, in collaboration with the state government, local organisations, and with appropriate local and international governance and stakeholder engagement. This plan will recognise and where possible incorporate the existing work of local NGOs, brands and trades unions, will have clear objectives, milestones and deliverables, including:

- a) A resource plan to support activities, with opportunities identified to leverage third-party support from governments and donor agencies;
- b) Encouragement and support of active participation between relevant local organisations and companies in local multi-stakeholder groups through established mechanisms such as Tirupur Stakeholders' Forum;
- c) Initial financial support for local trade unions and NGOs to work directly with workers in order to better understand their perspectives and develop independent and democratic forms of worker representation towards mature systems of industrial relations;
- d) A procedure to provide independent medical assessments for all workers employed through the Sumangali and Camp Coolie Schemes and to facilitate their access to owed compensation under Indian law.

The companies and organisations that support this plan are committed over the next three years to collectively and individually make efforts in good faith to meet the goals stated above.

### **Financial commitment**

To establish a credible programme as outlined above, Anti-Slavery International has recommended that a fund be established by business in support of the above and of local civil society organisations working to remediate the Sumangali and Camp Coolie issue in Tamil Nadu. The signatories commit to contribute to such a fund, which would be focused on specific activities and outcomes outlined above, with the establishment of a transparent tripartite system of governance and monitoring arrangements.

*Important note: Under the UK listings rule 10.2.4 companies are unable to commit to funding with unlimited liability without shareholder approval.*

### **Signatories**

The signatories to this joint statement of intent are:

Boden  
Fat Face  
Home Workers Worldwide  
International Textile, Garment and Leatherworkers Federation  
Oxfam GB  
River Island  
Trades Union Congress  
WE Fashion  
Anti-Slavery International  
Dalit Solidarity Network UK

As this report was going to press we received a letter from a number of companies, including several who were deeply involved in discussions and negotiations of the text of the above Statement of Intent and had indicated they wished to sign up. The letter indicated they were no longer prepared to sign up to the Statement of Intent but instead offered the following "Response":

### **Response to Anti-Slavery International Report**

We recently read with concern the draft report authored by Anti-Slavery International ("ASI") entitled "Slavery in Indian Garment Manufacture" which outlines a very troubling picture of abuses such as Sumangali apprenticeship programmes, particularly in spinning mills and other more remote aspects of international and local supply chains in the Tamil Nadu region of India.

The brands and retailers who are the signatories to this statement recognise that we have an important role to play in condemning practices highlighted in the report and supporting efforts to eliminate labour rights abuses. As such, the brands and retailers who have

signed this statement support the following:

1. No workers under the legal employment age shall be employed in the garment sector;
2. Putting an end to forced and bonded labour practices;
3. Providing workers with contracts that comply with national law, which are in a language they understand, and clearly state rates of pay, working hours, overtime pay, paid holidays and relevant deductions for food and housing. Detailed, understandable pay slips should also be provided to all workers;
4. Where accommodations are provided, insisting they be suitable and safe, without intrusive surveillance. Workers must be free to leave these accommodations in their free time;
5. Providing all workers with appropriate means to raise and resolve grievances

While brands and retailers play an important role in influencing improved labour conditions in their supply chains, government and local stakeholders should be actively engaged to create sustainable change. We therefore support, and where possible will add further weight to accelerate the goals of existing initiatives such as the Tirupur Stakeholders Forum. We intend to focus on steps that we can collectively take to identify where Sumangali and other abuses may be occurring and then require that these suppliers demonstrate, in a transparent manner, satisfactory employment practices and working conditions. We also recognise the need for increased transparency beyond cut and sew facilities to enhance early awareness by buyers of serious issues and to support a model of continuous improvement through collaboration and engagement. We hope that through collective collaboration with a range of international and local stakeholders, including the Indian government, we are able positively and effectively to influence the speed at which sustainable solutions can come about surrounding the Sumangali scheme in India, as well as other significant problems identified in the draft report. The signatories look forward to the opportunity to continue the direct dialogue with ASI on this issue, on how we can support efforts to eradicate the Sumangali schemes and other exploitative apprenticeship programmes in the Tamil Nadu region of India.

Sincerely,

Arcadia Group Ltd	Nike
ASOS	Primark
Bestseller	Ted Baker
C&A	Tesco
Gap Inc	
Grupocortefiel	
H&M	
Inditex	
Levi Strauss & Co	
Mothercare	
New Balance	
Next	



Disappointingly, despite its leadership on ethical trade, Marks and Spencer did not sign either the “Response” or the “Statement of Intent”. Even the “Response” was perhaps too strong for Walmart, who sent a separate letter (see Appendix 3).

As this “Response” was negotiated in secret amongst only companies it is difficult to know what prompted this volte face from the collaborative approach that was undertaken under the auspices of ETI. From the outset Anti-Slavery’s argument has been that for a company response to be credible it must contain either specific detail of measures to be undertaken or solid commitments to investment in solutions, preferably both. This response does not contain either. Seemingly the Statement of Intent, produced as a result of a lengthy negotiation process with all stakeholders, contained too much detail relating to commitments to action for business comfort. Instead they unilaterally proposed a statement which is shorn of both detail and financial commitment.

It is ironic that these brands state they want “collective collaboration with a range of international and local stakeholders” and “to continue direct dialogue with ASI on this issue” when the formulation of this company-only statement was undertaken without collaboration and represents a repudiation of the multi-stakeholder approach that Anti-Slavery has advocated and ETI has facilitated in response to these issues. It is hard to believe that companies intend to work collaboratively on eradication of the practice if they cannot even work collaboratively with non-business stakeholders on agreeing the parameters of an approach to eradication.

In this context, this response does not represent good faith, but rather undermines trust and collaboration. Anti-Slavery regards it as a cynical effort to articulate the minimum concern that may deflect public attention from the fact that many of these companies appear to knowingly profit from the slavery of children.



Anti-Slavery International/Dev Gogoi

## Chapter 6 – The role of Government

The previous chapter sets out a course of action to address the two exploitative practices identified in this report. Anti-Slavery International has focused initial conversations on the role of business and how, by working together with civil society and trade unions, there might be progress towards the eradication of these modern day forms of slavery. However this must be complemented with the enforcement of standards by both the regional authorities and national Indian government.

### Child labour in Delhi

In order to ensure that these garment units are compliant with the law, the labour office should carry out regular monitoring. This monitoring should be conducted not just by the police but also by other arms of government, such as labour inspectors and the National Commission for the Protection of Child Rights. In addition, the authorities should require garment units to register children aged between 14 and 18 years with the local authorities and report the nature of the work to be carried out to ensure that it is not hazardous or harmful to children's health and development.

### The Sumangali Scheme

A number of organizations are working in India to engage the Indian government in efforts to eradicate this practice. In February 2006, the State Textile Workers Federation made a representation through the Centre of Indian Trade Unions (CITU), to the Government of Tamil

Nadu, alleging that the textile mills were indulging in an exploitative practice of engaging adolescent girls under a scheme that amounted to forced labour. Thereafter, the Centre of Indian Trade Unions (CITU) filed a writ petition to the High Court seeking a direction to the Government to consider their representation.

In a judgment by the Chennai High Court made on 3 Oct 2007 following this petition, the court noted that:

*“Prima facie, we are satisfied that the ‘Camp Coolie System’ which is also known as ... ‘Sumangali Marriage Scheme’ is per se illegal and amounts to bonded labour and the authorities are bound to take steps to abolish the system and regularize the services of the female workers working under the ‘Camp Coolie System’ and ensure that they receive wages as per the law throughout their employment with the concerned employers”.*<sup>34</sup>

This decision also gave directions to District Monitoring Committee to:

*“carry out surprise inspections of the textile mills in their respective districts as well as the residences of female workers where accommodated and get information about the wages paid to them pay the respective employers and their working conditions in order to ascertain whether they are working merely as Learners/Apprentices or they are engaged in regular employment”.*<sup>35</sup>

<sup>34</sup> WP No.27362, High Court of Judicature at Chennai (Madras), 2007

<sup>35</sup> Ibid.

In recognising that the *Sumangali* scheme amounts to bonded labour, the High Court is not only acknowledging the degree of exploitation and coercion used to extract labour in the spinning mills; it also places responsibility on the Indian government to meet its obligations under the 1976 Bonded Labour Act. Under the Act, on conviction magistrates are empowered to issue penalties of up to 3 years' imprisonment and a fine. In addition the District Vigilance Committees, set up by the Act, are responsible for ensuring the law is implemented. In keeping with the letter and spirit of this judgment the Indian authorities should:

1. Immediately implement the directives of the Tamil Nadu High Court and carry out regular unannounced checks in the factories employing and housing *Sumangali* workers.
2. Ensure that children under 14 years old are not employed.
3. Ensure that mandatory accommodation within work premises, especially for children under 18 years old is abolished.
4. Provide for the monitoring of hostels either managed by the employers or outsourced to a multi-stakeholder monitoring committee.
5. The findings of this report strongly suggest that the length of the apprentice scheme in India's textile and garment industry should be reduced from three years to six months. Additionally, systems, including an effective labour inspectorate, should be put in place so that there is decent work for all qualified apprentices thereafter.
6. Ensure that prior information about unannounced checks is not leaked to the factory management and establish procedures to identify and punish anyone undermining the integrity of the inspection system through corrupt practices.
7. Take punitive measures against public servants who fail to perform their duties relating to the enforcement of Indian national law on bonded and child labour. For example this report documents that under both the *Sumangali* system and in the garment workshops of Delhi, children are subject to hazardous work and excessive hours, both in contravention of Indian law and international labour standards.
8. Work to remove any constraints on exploited workers obtaining access to legal remedy through the courts.
9. Establish, drawing on best international practice, an anti-corruption watchdog to investigate any police or labour inspectors alleged misconduct in relation to their investigations of working conditions of adults and children.





Anti-Slavery International/Dev Gogoi

## Chapter 7 - Conclusion

This report identifies two forms of modern day slavery in fabric and garment supply chains: the forced labour of girls and young women in the spinning mills of southern India – the *Sumangali* and *Camp Coolie* systems – and the use of child labour in the finishing workshops of Delhi. Freedom from forced labour is one of a small group of non-derogable rights protected in international human rights law. As such these rights cannot be limited or pushed aside under any circumstance.

It is clear from this report that the state authorities, who have overall responsibility for the enforcement of these rights, need to do more to ensure that they are fulfilling their duty to protect the rights of workers in the garment supply chain. It is also clear that businesses' existing reliance voluntary mechanisms such as codes of conduct and auditing to address slavery are insufficient. Companies' public commitments to ethical trade in no way guarantee the conditions in which their products are made. At best such commitments are a starting point for sustained efforts to establish ethical supply chains.

This research shows that subcontracting, now a common, near universal business practice, combined with poverty, discrimination, insufficient and in some cases corrupt law enforcement creates fertile ground for the exploitation of vulnerable workers in the garment supply chains. It also shows that few garment businesses are interested in doing much to resolve the abuses.

Current mechanisms used by businesses are not in themselves sufficient to either identify these slavery practices or ensure that subcontracted suppliers are compliant with companies' stated codes of conduct or international minimum labour standards. Despite Anti-Slavery demonstrating these failings to businesses, it has not resulted in a broader industry commitment to developing new voluntary approaches to ensuring the establishment of ethical supply chains.

This raises grave questions about how serious the businesses named in this report, who have failed to sign the Statement of Intent, are about ensuring that their goods are produced free of slavery. This is a concern emphasised by the last minute repudiation by a group of businesses of efforts towards establishing a multi-stakeholder approach in spite of the commitment from a range of non-business stakeholders to work with brands, the four companies who have signed the Statement, and the efforts by a number of organizations both within India and internationally<sup>36</sup>.

The Statement of Intent sets out commitments by stakeholders to contribute to a comprehensive programme of work including: a detailed plan of action to support activities; encouragement and support of active participation between relevant local organisations and companies in local multi-stakeholder groups through established mechanisms such as Tirupur Stakeholders' Forum; initial financial support for local trade unions and NGOs to work directly with workers in

<sup>36</sup> See European Centre for Corporate Justice, 2010, 'Rights for Whom', and ICN/SOMO published in May 2011

order to better understand their perspectives and develop independent and democratic forms of worker representation towards mature systems of industrial relations; and a procedure to provide independent medical assessments for all workers employed through the *Sumangali* and *Camp Coolie Schemes* and to facilitate their access to owed compensation under Indian law.

From the outset of the dialogue initiated by Anti-Slavery International, following the research presented in this report, businesses have repeatedly stated they appreciated the approach we adopted, perhaps reflecting a desire to keep these issues under negotiation rather than act comprehensively to resolve them. Appendix 1 lists the companies with which Anti-Slavery engaged in an effort to develop an agreed approach to ending these identified slavery practices in garment and fabric manufacture in India.

Given this, and the sustained involvement of businesses in the negotiation of the Statement of Intent, the failure of so many of them, including some who most loudly trumpet their ethical concerns, to sign up to the final Statement raises profound concern. As key stakeholders, had all companies made a genuine commitment to the Statement, there was an opportunity to address this practice of slavery. However, this failure raises some questions regarding the bona fides of these businesses' ethical commitments and makes the case for the need for legally enforceable standards.

The evidence presented in this report and generally accepted by international garment brands has not resulted in a sufficient commitment to credible, concrete, multi-stakeholder action as set out in the Statement of Intent, suggesting that they are sanguine that a significant portion of their sales are derived from the enslaved labour of children and young women.



Anti-Slavery International/Dev Gogoi

## Update - December 2011

### Introduction

To guard against accusations that our research was out of date following the six months we spent trying to obtain agreement to credible action from the brands, we undertook an additional research in June and October 2011. The research was conducted in three distinct areas in Tamil Nadu: Tirupur for factories, Dindigul (100km south west of Tirupur) for spinning mills and Pudukottai (300km away) to meet with former workers. During this time we interviewed many former workers and their relatives and were able to locate 10 people willing to go on the record about their experiences. We engaged in a further round of interviews in mid-October 2011 to speak with workers on leave for the Diwali holiday.

This most recent phase of research found that the illegal sumangali system still appears to be practiced with workers, promised a lump sum payment at the end of three years, still being held in prison-like conditions, unable to leave the factory and expected to routinely work seven days a week.

As indicated in this report sumangali practices are giving way to camp coolie practices: also forced labour in prison-like conditions, but without the promise of a final lump sum. Interviews in this latest phase of the research indicated requirements of workers under the camp coolie system that included:

1. 12-16 hour working days.
2. Frequently made to work seven day working weeks.
3. Those able to take leave on Sunday were often required to work a double shift on a Saturday to compensate.
4. Typically only able to get five hours of sleep a night.
5. Workers not allowed to leave the factory.
6. Ongoing employment of children under the age of 14.
7. CCTV monitoring the workers' every move.
8. Telephone conversations are monitored and workers are not allowed mobile phones.
9. Workers kept as trainees, no matter the length of service, by being made to switch factories every six months.
10. Workers paid less than half the minimum wage.
11. Severity of the work would often lead to illness (usually bladder/urinary infections caused from not being allowed regular toilet breaks or chest and lung infections caused by working with cotton).
12. The cost of treating the illnesses further reduces workers' salaries to nearer a quarter of the minimum wage.

The additional research identified evidence that two further Indian manufacturers used forced labour of girls and young women, as well as confirming that one of the companies previously identified appears to continue to use slavery-like practices.

### **Brandot International Ltd and Bannari Amman Group**

Our researcher interviewed young women who had worked at three of the company's factories: the Bannari Amman Spinning Mill, the Bannari Amman Mill, and the

Shiva Spinning Mill. The former workers from the Shiva Spinning Mill attested that they had experienced a range of abuses including:

1. Workers were not allowed to take leave for emergencies or time off for ill health. This, it was alleged by one girl, led directly to the death of her sister.
2. Managers would monitor workers' conversations with parents from the company phones; parents were discouraged from visiting and were not allowed inside the mill.
3. The girls were not allowed to leave the mill.
4. These girls were often forced to work without a day off.
5. They were only paid £11 a month (the minimum wage given the hours they worked should have been £80).
6. Crucially they were also cheated out of the promised lump sum bonus payment of nearly £500 when they left their contract early because of ill health.

At Bannari Amman Mill, the young women interviewed also experienced the same situation as described above, though they were given a single day off a week. Those that did leave were only given part of the final lump sum promised to them.

As noted earlier in the report these working conditions amount to forced labour. Where the promise of a final lump sum payment is involved, the Indian Courts recognise this as a form of bonded labour, which is recognised in international law as a slavery-like practice. For those children under the age of 14 working in these conditions, the situation constitutes child slavery.

Bannari Amman group seems to supply a joint venture company based in the US called, Brandot International Ltd.<sup>37</sup>

From Brandot International Ltd's website they claim as customers: Gap (US), Victoria's Secret (US), United Colors of Benetton (Italy), Tommy Hilfiger (US), Banana Republic (US), Mark & Spencer (UK), Chico's (US), Speedo (UK).<sup>38</sup>

### **Prem group**

As noted in the main part of this report Prem Group supply the Swiss clothing company Switcher. In June 2011 we interviewed some workers who had left Prem Group factories at the beginning of this year.

The abuses they experienced included:

1. Workers made to work excessive hours, often 12 hour-day, with frequent seven day weeks (and only given six days consecutive leave every six months).
2. Paid less than half the minimum wage.
3. Not allowed to leave the factory.
4. If parents visited they could only talk to them through the gate.
5. Security would listen to all conversations.

These patterns of abuses were affirmed by additional research Anti-Slavery and CEC carried out in October 2011. A transcript of one interview, edited to protect the informant, is presented below.

*Name:* Ranjitha

*Age:* 19

*Type of job:* Ironing

*Name of company:* (P.G.C) Premdurai company

*Exact location of factory:* Shed no G1,G2, Nethaji apparel park, Ettiveeram palayam, New Tirupur 64166

*Length of service:* 2 and half years

*How long left on contract:* 1 and half years

*Promised salary:* Rs.3000

*Real salary:* 1200 to 1500

*How many days a week do you work:* 6 days

*How many days a month do you have for holiday:* 1 or 2 days

*How many days holiday a year to go back home do you have:* 2 or 3 days

*Have you been promised a lump sum payment at the end of your contract:* yes

*How much is this:* Rs. 35000

*How many hours a day do you work:* 13 hours

*How many hours of breaks do you have a day:* 2 hours

*Are you allowed to leave the factory when not working?*

*Evenings? Weekends?:* no

*Are you allowed visitors that are not your family?:* no

*How often can your family visit?:* monthly once

*Can you speak with them without security listening?:*

when we visit the parents the security note what we speak with parents

*How often can you phone home?:* monthly twice

*How long can the phone conversation take?:* 10 minutes

*Do people listen in on the phone conversation?:* yes

*What are your living conditions like? How many people sleep in your room?:* 15 or 20 members

*How many beds per person?:* one bed for two

*How is the food you are fed?:* not good, don't give healthy food...only give limited food

*Do you have to pay deductions for medical care or other costs?:* yes. We had to spend from on our money.

*How much a month?:* per month Rs.100 to Rs.300

*How do the bosses treat you?:* they will scold us, ask us to complete the pieces in time

*Have you ever been working when there has been an audit?:* yes

*What happened?:* auditor did not discuss with us. Just had a look at how we are working.

*Were you told what to say?:* before audit the manager told how to speak with auditors. In audit time we wear half saree ( so that I appear above my age)

*Have working conditions improved since January 2010?:* No

*Are you going to go back to the factory after Diwali holiday?:* no

*Why? My health condition is very poor. They didn't give rest.*

*Are you happy in your job?:* No

<sup>37</sup> <http://www.brandot.com/partnership/venturepartners.html>

<sup>38</sup> See Appendix 9



Noting these patterns of abuses in Prem Group is particularly significant for two reasons: First Prem Group already has an ‘exemplary’ code of practice for workers living in hostels (see appendix 7) yet accounts of former workers consistently describe conditions akin to forced labour. Nevertheless brands are citing as a concrete achievement a new code of practice for treatment of workers in hostels.

Secondly, Prem Group workers reported no improvement in conditions since Jan 2010 when the issue of the forced labour of girls and young women was brought to the attention of the brands by Anti-Slavery International.

## SP Apparels

“S. P. Apparels, Ltd. manufactures and sells garments in India. It provides infant, boys, girls, ladies, and men’s wear, as well as offers night wear. The company was founded in 1988 and is based in Coimbatore, India.”<sup>39</sup>

In August 2011 we interviewed a 20-year-old woman named Marikannu<sup>40</sup> who worked for over a year until May 2011 in SP Apparels’ factory in Avinasi. She had been employed on the promise of a monthly wage of 4,000 rupees, working eight hours a day, six day week, as well meals, washing and health facilities in her hostel.

On starting work she found the situation very different from that promised to her. The food was unfit for consumption; she was expected to share her bed as there were insufficient beds for the number of girls in order for her room to fit twelve people. The workers were also confined within the walls of the factory even when off-duty and their telephone conversations were restricted and monitored by factory security.

Marikannu describes a situation where all workers were required to work 12 hour days instead of eight hours. On Saturdays they were expected to work 16 hours to compensate for not working on Sunday. They were not paid any overtime for these extra hours.

For all of this Marikannu found that instead of receiving the promised 4,000 rupees (£52 a month) for a 48-hour-week, as promised, she only received 1,800 rupees (£24 a month) for a 76-hour-week.<sup>41</sup>

Workers are meant to pay into a government managed provident fund (deducted from their pay each month). However, our research found that the employers were controlling this process, not passing the money onto the government managed scheme and instead agreeing to only pay this money back to the workers once they had completed their contract. Over three years this amount typically totals 30,000 rupees (£400), around a year’s salary. The retention of the money that was meant to be passed onto the provident fund by the company is another method to prevent workers from leaving,

irrespective of how difficult the work becomes.

We interviewed two other young women, also former workers of SP Apparels who recounted similar stories. The International Labour Organization identifies restriction of movement and confinement to the workplace or to a limited area, and withholding of wages or excessive wage reductions, that violate previously made agreements, as two key indicators of forced labour. As the above accounts indicate both these practices are routine in the treatment of girls and young women in the Tamil Nadu garment sector.

We also spoke with the mother of two daughters who currently work at a SP Apparel mill. She spoke openly about how the management won’t let her visit her daughters, despite the fact that they are currently ill. However, while the mother is unhappy at not being able to see her daughters and the fact they are not earning what they were promised, she does want her daughters to work in the factory as she thinks they are ‘safer’ there than in the village. The mother is also concerned that if the daughter came back early the resulting gossip could affect their marriage prospects.

This is a further example of how cultural pressures are manipulated by employers. Parents and children are willing ‘in theory’ to agree to work in these mills gambling that everything will be fine and that they will get the promised pay. But this aspiration for a better life renders them vulnerable to exploitation and enslavement.

SP Apparel notes on its website that is a supplier to Mothercare (UK), Dunnes Stores (Ireland), Tesco (UK), Asda-Walmart (US/UK), Disney (US), The Children’s Place (US), United Colors of Benetton (Italy), Marks and Spencer (UK), Gap, John Lewis (UK), Sainsbury (UK)<sup>42</sup>.

## Export data confirming relationship between brands and suppliers

With the help of the Dutch NGOs SOMO (Centre for Research on Multinational Companies) and ICN (India Committee Netherlands), as part of the 2011 phase of research, we have obtained export data from Tuticorn Port (southern Tamil Nadu) and Madras port in Chennai that confirms that as of June and/or July 2011 the following nine companies involved in our discussions bought garments produced by Indian suppliers identified in Anti-Slavery International’s research:

Asda-Walmart (UK/US), Bestseller (Danish), C&A (German/Belgian), H&M (Swedish) Gap (US), Inditex (Spanish), Marks and Spencer (UK) Mothercare (UK), Tesco (UK) .

The breakdown of export data showing brands and their Indian suppliers are below.

1. Asda-Walmart – SP Apparels, Prem Group
2. Bestseller – Eastman

<sup>39</sup> [http://www.spapparels.com/html/products/our\\_customer.html](http://www.spapparels.com/html/products/our_customer.html) and see also appendices

<sup>40</sup> Not her real name

<sup>41</sup> They should be paid 6,460 rupees (£75.52) for a 28 day month. SP Apparel claim that their workers are garment apprentices rather than mill apprentices and therefore only entitled to 117 rupees (£1.37) for an eight hour day.

<sup>42</sup> See appendix 10



3. C&A – SCM
4. Gap - Eastman
5. H&M - SP Apparels
6. Inditex – Eastman
7. Marks and Spencer - SP Apparel
6. Mothercare – SP Apparel
9. Tesco – SCM, SP Apparel

## Conclusion

It is important to emphasise two points. First, the June and October 2011 phases of research indicate that the practices that we identified in the earlier phase of research were still prevalent in garment manufacture in Tamil Nadu.

Second, Asda-Walmart, Bestseller, C&A, Gap, Inditex, and Mothercare knew that Eastman and SCM used forced labour because Anti-Slavery informed them of this in December 2010. Nevertheless, while failing to take credible action to address these practices, these brands knowingly continued to source from these companies in spite of all the risks of abuses that have been brought to their attention and about which they evince concern.

Whatever concerns these companies may have felt for the plight of the young women and girls enslaved in the garment and textile sector of Tamil Nadu, it has not yet spurred sufficient urgent action amongst international business to act with others to reduce the problem.



Anti-Slavery International/Dev Gogoi

## Afterword – June 2012

### Introduction

Since the initial collapse of the efforts to agree a joint programme of action under the auspices of the Ethical Trading Initiative (ETI), described previously, the ETI note that the following has occurred:

There has been agreement on a protocol for hostel management, which is now being rolled out; A number of companies have launched specific projects that seek to tackle aspects of the problems identified; The Tirupur Stakeholder Forum (a local multi-stakeholder initiative) is addressing some of the concerns raised; a financial commitment has been made by 20 companies<sup>43</sup> to map the extent of the problem and develop a plan of action, which includes a commitment to mainstream workers' voices into the consultation and remediation process.

At the end of March 2012 a stakeholders conference was held in Tirupur. One of the most positive things to emerge from this conference was a recognition that abuses of the Apprenticeship Act lie at the heart of the systematic enslavement of girls and young women in the textile and garment sector of Tamil Nadu. Additionally it is to be welcomed that representatives of many Western brands, which source from Tamil Nadu, were prepared at this conference to meet and listen to the concerns of girls and young women who had been victims of forced labour practices.

In retrospect the general repudiation by businesses of the “Statement of Intent” may be seen as their baulking at making any detailed public commitment on joint action to work on eradicating slavery and other human rights abuses from their supply chains. A follow up meeting in London to the Tirupur conference, suggests there is now a greater appetite by companies for a joint approach. We hope this leads to a sufficient level of action to respond credibly to the challenge of ending the enslavement of young women and girls in this industry. It is currently not clear what is the level of financial commitment that will be made to translating current expressions of concern into concrete and effective action.

A co-ordinated response by all international brands and civil society would have more economic weight to influence change in supply chains than individual company initiatives. Forced labour is a risk that can ensnare all companies sourcing goods from this region, hence it is in the interests of all that they act together to end it.

Without co-ordinated action, two things should be clear. First, given the contrast between the experiences reported by the living conditions of workers in Prem Group hostels and the detailed code of conduct that company elaborated (see appendix) it would seem that the commitments contained on mere pieces of paper have little impact on the lives of vulnerable workers.

Second, while some individual companies have started

<sup>43</sup> These are Arcadia, ASDA/George, ASOS, Bestseller, Boden, C&A, Carrefour, Gap Inc., H&M, Inditex, John Lewis, Levi's, Mothercare, Next, Nike, Otto Group, Primark, Tesco, Tom Tailor and latterly Marks and Spencer.



projects, suggesting good intentions to address forced labour, it is unlikely that individual companies acting alone will be able to achieve credible and sustained change.

At the time of writing, forced labour remains part of garment manufacture in Tamil Nadu. Anti-Slavery's experience of trying to engage with businesses indicates that many seem to be dealing with the question of slavery in their supply chains as a public relations issue to be managed rather than a human rights issue to be addressed.

It is hoped that this will change and we will come to see sufficient concrete and credible action by international brands working in conjunction with government, Indian business and civil society, to end slavery in Tamil Nadu's garment and textile sector. However, until this happens then the destroyed lives of so many girls and young women will remain a heavy, if unacknowledged, cost on the balance sheets of international business.

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## Appendix 1: Registered attendees and apologies received for the meeting on 13th January 2011 regarding slavery in Indian Garment manufacture.

Anti-Slavery International  
Arcadia  
ARCO  
Asda-Walmart  
Asos  
Bestseller  
Boden  
Business Social Compliance Initiative  
C&A  
Debenhams  
DSN UK  
Ethical Trading Initiative  
Fair Wear Foundation  
Fairtrade International  
Gap  
Homeworkers Worldwide  
India Committee of the Netherlands  
Inditex  
International Textile, Garment and Leather Workers' Federation  
International Trade Union Confederation  
Levi Strauss & Co  
Marks and Spencer  
Monsoon  
Mothercare  
Next  
Oxfam  
Pentland Group  
Primark  
River Island  
Sainsburys  
Social Accountability International  
Terre des Hommes  
Tesco  
The Reassurance Network  
VF Corporation  
WE Fashion  
Wiego  
Women Working Worldwide

## Appendix 2: Process of engagement on developing collection action

Date	What
Early Nov 2010	Letters to chief execs highlighting issue and inviting to meeting
Nov 2010	Personal calls to brands to follow up
26 Nov 2010	Meeting with brands implicated (notes circulated)
13 January 2011	Multi-stakeholder call to action meeting (notes circulated)
15 February	Meeting to begin mapping response (notes circulated)
21 February	Multi-stakeholder working group meeting
24 February	Working group meeting
	Telephone call Adidas and Anti-Slavery
28 February	Telephone call Nike and Anti-Slavery
7 March	First draft of statement circulated with 11 March deadline
8 March	Meeting: Arcadia and Anti-Slavery
18 March	Circulation of 2nd draft statement with 25 March deadline
25 March	Conference call
28 March	Comments incorporated re-circulated with 29 March deadline
29 March	Comments incorporated re-circulated with 30 March deadline
30 March	Near final statement at which stage there was broad agreement to the principles and substantive content, circulated comments by 5 April
13 April	Confirmation from ETI that negotiations had been completed
20 April	Final draft circulated with 29 April deadline extended to 6 May



## Appendix 3: Response from Walmart



501 SW 8th Street  
Bentonville, AR 72716-0892

# Ethical Sourcing

April 7, 2011

Anti-Slavery International  
Thomas Clarkson House, The Stableyard  
Broomgrove Road  
London  
SW9 9TL

RE: Response to Anti-Slavery International Report

We recently read with concern the draft report authored by Anti-Slavery International ("ASI") entitled "Slavery in Indian Garment Manufacture" which outlines a very troubling picture of abuses such as Sumangali apprenticeship programs in the Tirupur region of India. Walmart Stores, Inc. condemns the practices highlighted in the report and supports efforts of local stakeholders to eliminate labor abuse. We at Walmart support the following:

- no workers under the legal age should be employed in the garment sector;
- putting an end to forced/bonded labor practices;
- providing workers with contracts that comply with national law, are in a language they understand, and that clearly state rates of pay, working hours, overtime pay, paid holidays and relevant deductions for food and housing;
- detailed, and comprehensible, pay slips shall be provided to all workers;
- where accommodations are provided, insisting they be suitable and safe, without intrusive surveillance. With workers freely able to leave at will;
- providing all workers appropriate means to raise and resolve grievances;

While brands and retailers may have a role in influencing improved labor conditions, government and local stakeholders should be actively engaged to create sustainable change. We recognize that schemes such as Sumangali, which merits particular notice, represent only part of a broad range of labor abuses. Therefore, we are working now to identify places where Walmart can influence existing relevant initiatives and local stakeholders to support and accelerate their goals. We intend to focus on steps we can take to identify where Sumangali and other labor abuses may be occurring and then require that those suppliers demonstrate, in a transparent manner, satisfactory employment practices and working conditions. We also recognize the need for expanded scrutiny beyond cut and sew facilities to enhance early awareness of serious issues and to support a model of continuous improvement through collaboration and engagement.

Sincerely,

Mary Fox  
SVP Global Apparel Sourcing  
Walmart Stores, Inc.

Rajan Kamalanathan  
VP Ethical Sourcing  
Walmart Stores, Inc.

## Appendix 4: Switcher Code of Practice

1. Switcher SA recognizes its responsibilities to workers for the conditions under which its products or services are made and that these responsibilities extend to all workers producing products or services for Switcher SA, whether or not they are employees of Switcher SA.
2. Any workers producing products or services manufactured, sold or distributed by Switcher SA must be provided with fair wages and decent working conditions, and the international labour standards established by Conventions 29, 87, 98, 100, 105, 111 and 138 of the International Labour Organisation must be observed.
3. Switcher SA will require its contractors, their sub-contractors, principal suppliers and licensees to provide these conditions and observe these standards when producing or distributing products or components of products for Switcher SA. Switcher SA will, prior to placing orders with principal suppliers, engaging contractors and subcontractors or granting licenses, assess whether the provisions of this code can be met.

### **Switcher SA will:**

1. Distribute a copy of this policy to domestic and overseas purchasing staff members and to all existing and prospective foreign suppliers.
2. Include contractual provisions reflecting his policy in all international purchasing agreements.
3. Report violations of suppliers to the appropriate enforcement authorities.
4. In case of illiteracy of workers, read and explain the contract to the employee.

Contractor acknowledges that it is Switcher SA's policy to stop and/or prevent known illegal activities. If Switcher SA determines that any supplier or subcontractor has violated any applicable law, rule, or regulation or has engaged in any of the above practices, Switcher SA will provide all available information, including the name of such supplier or subcontractor to applicable government agencies and law enforcement officials for appropriate action.

To assist Switcher SA in verifying compliance with this Code of Conduct:

1. Contractor agrees to require all its officers and employees responsible for or involved with the implementation of procedures designed to ensure compliance with this Code of Conduct to review and familiarize themselves with this Code of Conduct.
2. Require all suppliers and/or subcontractors to execute and deliver to Switcher SA a signed Code of Conduct on or before execution and an applicable agreement or purchase order with Switcher SA.
3. Provide Switcher SA with access to contractor's supplier, subcontractor or agent production facilities to conduct inspections.

4. Provide, upon request, Switcher SA with proof of production, including without limitation, shipping documents, cutting and sewing reports and similar documentation.
5. Provide, upon request, Switcher SA with proof of compliance by its suppliers and/or sub-contractors with applicable labor laws and including, without limitation, proof that all employees meet minimum legal working age and pay requirements and provide Switcher SA with the right to interview such employees regarding the same. Switcher SA intends to make every available effort to assure the veracity of all documents it receives and reviews from Contractor's sources of supply.
6. Make available detailed information to any external form of audit from a neutral and independent association.

### **II.Environment**

Factories must comply with all applicable environmental laws and regulations. Where such requirements are less stringent than Switcher SA's own, factories are encouraged to meet the standards outlined in Switcher SA's Statement of Environmental Principles (Annex II).

### **III. Factory**

- A. The factory does not engage in or permit physical acts to punish or coerce workers.
- B. The factory does not engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal abuse.
- C. The factory complies with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection, and electrical, mechanical and structural safety.
- D. Work surface lighting in production areas such as sewing, knitting, pressing and cutting is sufficient for the safe performance of production activities.
- E. The factory is well ventilated. There are windows, fans, air conditioners and/or heaters in all work areas ensuring adequate circulation, ventilation and temperature control.
- F. There are sufficient, clearly marked exits allowing for the orderly evacuation of workers in case of fire or other emergencies. Emergency exit routes are posted and clearly marked in all sections of the factory.
- G. Aisles, exits and stairwells are kept clear at all times of work in process, finished garments, bolts of fabric, boxes and all other objects that could obstruct the orderly evacuation of workers in case of fire or other emergencies. The factory indicates with a "yellow box" or other markings that the areas in front of exits, fire fighting equipment, control panels and potential fire sources are to be kept clear.
- H. Doors and other exits are kept accessible and unlocked during all working hours for orderly evacuation in case of fire or other emergencies. All main exit doors remain open to the outside.



- I. Fire extinguishers are appropriate to the types of possible fires in the various areas of the factory, are regularly maintained and charged, display the date of their last inspection, and are mounted on walls and columns throughout the factory so they are visible and accessible to workers in all areas.
- J. Fire alarms are on each floor and emergency lights are placed above exits and on stairwells.
- K. Evacuation drills are conducted on an annual basis, at minimum.
- L. Machinery is equipped with operational safety devices and is inspected and serviced on a regular basis.
- M. Appropriate personal protective equipment such as masks, gloves, goggles, ear plugs.
- N. The factory provides drinking water for all workers and allows reasonable access to it throughout the working day.
- O. The factory places at least one well-stocked first aid kit on every factory floor and trains specific staff in basic first aid. The factory has procedures for dealing with serious injuries that require medical treatment outside the factory.
- P. The factory maintains throughout working hours clean and sanitary toilet areas and places no unreasonable restrictions on their use.
- Q. The factory stores hazardous and combustible materials in secure and ventilated areas and disposes of them in safe and a legal manner.
- R. The factory provides where ever possible sitting working positions.

#### **IV. Child Labour (ILO convention 138 & 182)**

Factories shall employ only workers who meet the applicable minimum legal age requirement, or are at least 16 years of age, whichever is greater. Factories must also comply with all other applicable child labor laws and with ILO138. Factories are encouraged to develop lawful workplace apprenticeship programs for the educational benefit of their workers, provided that all participants meet both Switcher SA minimum age standard of 16 and the minimum legal age requirement.

- A. The factory employ workers who are at least 16 years of age and meet the applicable minimum legal age requirement.
- B. The factory complies with all applicable child labor laws, including those related to hiring, wages, hours worked, overtime and working conditions.
- C. The factory encourages and allows eligible workers, especially younger workers, to attend afternoon classes and participate in work-study programs and other government sponsored educational programs. An educational program for young employees between 16 and 20 has to be set up by Switcher SA suppliers. A transition program for kids younger than 16 has to be set up also.
- D. The factory maintains official documentation for every worker that verifies the worker's date of birth. In those countries where official documents are not available to confirm exact date of birth, the factory confirms age using an appropriate and reliable assessment method (e.g. horoscope for India ; not compulsory but recommended).

#### **V. Discrimination (ILO conventions 100 and 111)**

Factories shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.

- A. The factory employs workers without regard to race, colour, gender, nationality, religion, political opinion, social origin, age, maternity or marital status.
- B. The factory pays workers wages and provides benefits without regard to race, colour, gender, nationality, religion, age, maternity or marital status.

#### **VI. Contracts, wages & hours**

Factories shall set working hours, wages and overtime pay in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater. While it is understood that overtime is often required in garment production, factories shall carry out operations in ways that limit overtime to a level that ensures humane and productive working conditions. A contract based on local legislation has to be established between employee and employer.

- A. Workers are paid at least the minimum legal wage or the local industry standard, whichever is greater. Minimum wage has to be sufficient to a decent living and to face minimal fundamental needs of employees.
- B. The factory pays overtime and any incentive (or piece) rates that meet all legal requirements or the local industry standard, whichever is greater. Hourly wage rates for overtime must be higher than the rates for the regular work shift.
- C. The factory does not require, on a regularly scheduled basis, a work week in excess of 48 hours without overtime and 60 hours with overtime.
- D. Workers may refuse overtime without any threat of penalty, punishment or dismissal.
- E. Workers have a least one day off in seven.
- F. The factory provides paid annual leave and holidays as required by law or which meet the local industry standard, whichever is greater.
- G. For each pay period, the factory provides workers an understandable wage statement which includes days worked, wage or piece rate earned per day, hours of overtime at each specified rate, bonuses, allowances and legal or contractual deductions.
- H. Aforementioned points have to be summed up in a contract. This paper has to be signed by employer and employee. If the worker is unable to understand the contract, the employer has to read it and explain its content to the worker. Depending on the case, a neutral person shall attend the meeting also.
- I. Salary deductions for disciplinary measures are prohibited.

#### **VII. Freedom of Association (ILO conventions 87 and 98)**

Workers are free to join associations of their own choosing. Factories may not interfere with workers who wish to lawfully and peacefully associate, organize or bargain collectively. The decision whether or not to do so is to be made solely by the workers.

- A. Workers are free to choose whether or not to lawfully organize and join associations.
- B. The factory does not threaten, penalize, restrict or interfere with workers' lawful efforts to join associations of their choosing.

### **VIII. Employment is freely chosen (ILO conventions 29 and 105)**

There shall be no use of forced, including bonded or prison, labour. Nor shall workers be required to lodge "deposits" or their identity papers with their employer.

### **IX. Application of Code of conduct**

The company will assign responsibility for all matters pertaining to the code within its organization and inform the independent institution and other relevant bodies where this responsibility is assigned. The Board of Directors (or other governing body) of the company shall periodically review the operation of the code, including the reports of internal and external monitoring.

The company accepts responsibility for observing the code with respect to all employees and workers that it supervises and agrees to: assign responsibility for implementing this code at each place that it owns or controls; ensure that all workers are aware of the contents of the code by clearly displaying an authorized text of the code at workplaces and by orally informing these employees in a language understood by them of the provisions of the code; refrain from disciplining, dismissing or otherwise discriminating against any employee for providing information concerning observance of this code. The company will make observance of the code a condition of all agreements that it enters into with contractors, suppliers and licensees. These agreements will obligate these contractors, suppliers and licensees to require observance of the code in all agreements that they make with their respective subcontractors and suppliers in fulfilling their agreement with the company. Such agreements shall also oblige these contractors, subcontractors, suppliers and licensees to undertake the same obligations to implement the code as found in the preceding point.

### **X. Independent monitoring**

Switcher SA accepts an independent monitoring, jointly mandated by Switcher SA, NGO's and labour organizations. Together with Clean Clothes Campaign a system of independent control will be set up.

Following basic principles will be monitored:

Monitoring must be by the actual observance of working conditions through unannounced inspection visits ("spot checks") to all workplaces covered by the code. The frequency of inspections must be established. Accredited monitors must be permitted to interview workers on a confidential basis in addition to regular or routine inspections, inspections shall be undertaken at specific locations following substantiated complaints,

where there is sufficient reason to believe that the code is not being observed. Inspections shall be conducted in a way which does not cause undue disruption to the performance of work in the premises being inspected. Written reports shall be provided by accredited monitors to all parties and to Switcher SA following each visit.

### **XI. Conclusions**

Contractors, subcontractors, principal suppliers and licensees shall undertake to support and co operate in the implementation and monitoring of this code by:

- providing Switcher SA with relevant information concerning their operations.
- Permitting inspection at any time of their workplaces and operations by approved inspectors.
- maintaining records of the name, age, hours worked and wages paid for each worker and making these available to approved inspectors on request.
- informing, verbally and in writing, the workers concerned of the provisions of this code.
- and, refraining from disciplinary action, dismissal or otherwise discriminating against any worker for providing information concerning observance of this code.

If Switcher SA finds that any of our suppliers falls short of our standards, the following actions will be taken :

- Corrective measures will be taken and a clear timetable will be set to implement these standards. In case of child labour, best corrective measures for the kids will be taken.
- Switcher SA will after warning cancel the orders and sever relationship with any suppliers that violate these standards.
- Any suppliers found in violation of applicable human rights or labour standards will bear the burden of any loss incurred.
- Questions as to the interpretation of the meaning of the provisions of this code shall be resolved according to the procedure set forth by an independent institution established for this purpose.
- The provisions of this code constitute only minimum standards and conditions for the purpose of preventing exploitation. Switcher SA does not intend, will not use, and will not allow any contractor, subcontractor, principal supplier or licensee to use these minimum standards and conditions as maximum standards or as the only conditions permitted by Switcher SA or to serve as the basis for any claim as to what standards or conditions of employment should be provided.
- The company agrees to take positive actions to implement the code, to incorporate the code into all of its operations and to make the code an integral part of its overall philosophy and general policy.

### **XII. Certification of Compliance**

"By my Signature below, as chief executive officer, and on behalf of my company, I acknowledge receipt of the above letter, and do hereby certify and agree that the company will comply with all applicable labor laws and

the order terms and conditions set forth on this agreement for any and all goods supplied to Switcher SA regardless of country of origin."

(Print) Name & Title Chief  
Executive Officer Signature Date.  
Company Name & Address.

### ***Annex I***

Housing (if applicable) :

- A. Dormitory facilities meet all applicable laws and regulations related to health and safety, including fire safety, sanitation, risk protection, and electrical, mechanical and structural safety.
- B. Sleeping quarters are segregated by sex.
- C. The living space per worker in the sleeping quarters meets both the minimum legal requirement and the local industry standard.
- D. Workers are provided with their own individual mats or beds.
- E. Dormitory facilities are well ventilated. There are windows to the outside or fans and/or air conditioners and/or heaters in all sleeping areas for adequate circulation, ventilation and temperature control.
- F. Workers are provided their own storage space for their clothes and personal possessions.
- G. There are at least two clearly marked exits on each floor, and emergency lighting is installed in halls, stairwells and above each exit.
- H. Halls and exits are kept clear of obstructions for safe and rapid evacuation in case of fire or other emergencies.
- I. Directions for evacuation in case of fire or other emergencies are posted in all sleeping quarters.
- J. Fire extinguishers are placed in or accessible to all sleeping quarters.
- K. Hazardous and combustible materials used in the production process are not stored in the dormitory or in buildings connected to sleeping quarters.
- L. Fire drills are conducted at least every six months.
- M. Sleeping quarters have adequate lighting.
- N. Sufficient toilets and showers are segregated by sex and provided in safe, sanitary, accessible and private areas.
- O. Potable water or facilities to boil water are available to dormitory residents.
- P. Dormitory residents are free to come and go during their off-hours under reasonable limitations imposed for their safety and comfort.

## Appendix 5: SCM customers



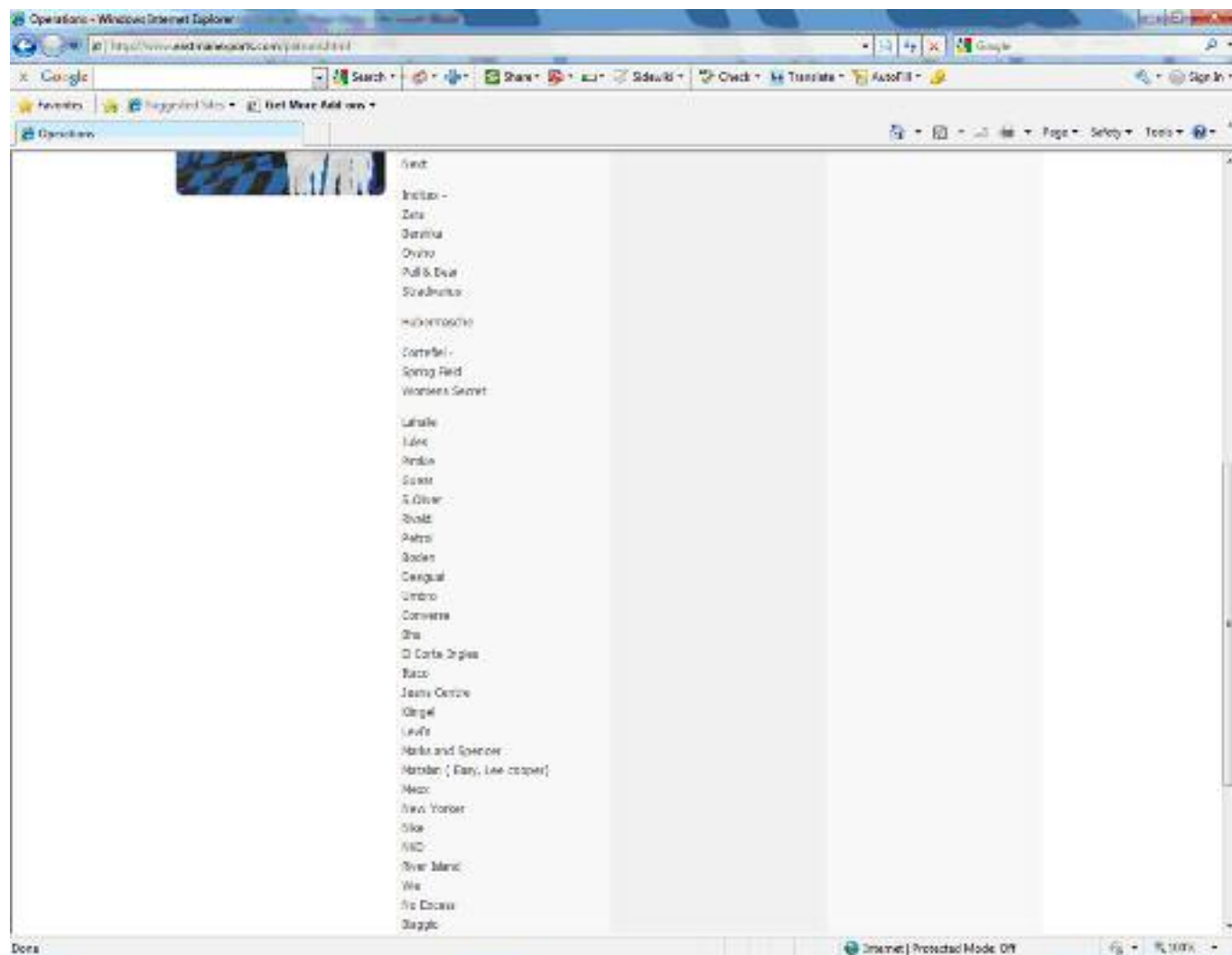


## Appendix 6: Some of Eastman's customers

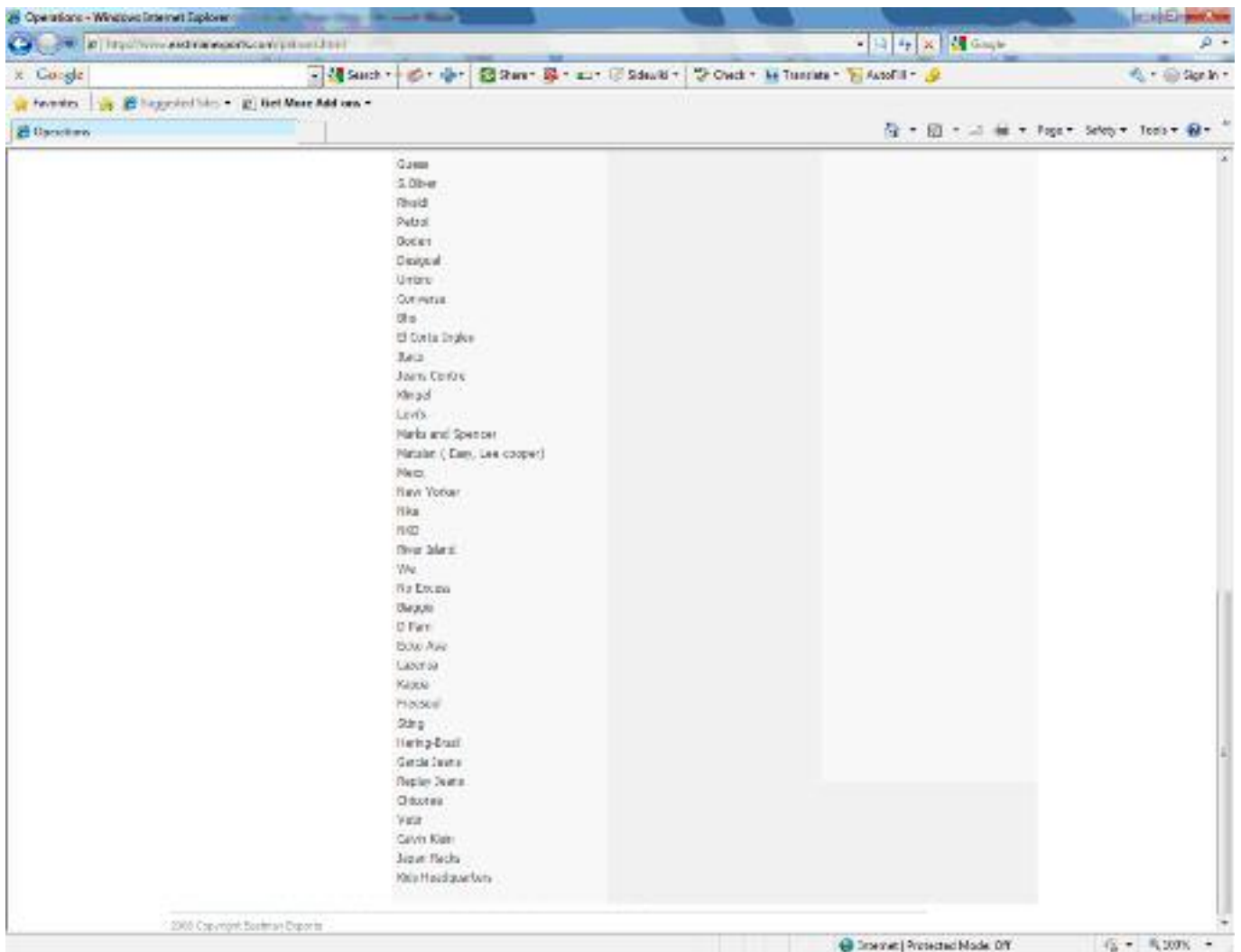


The screenshot shows the 'EASTMAN EXPORTS' website. The main navigation menu includes: The Group, Consignment, Customers, Offsets, Patents, Quality, Accounts, and News. A large graphic features a globe with various brand logos like Coca-Cola, Pepsi, and McDonald's. Below this, the 'Company highlights' section includes a bar chart and text about ISO 9001 certification. The 'Quality' section features a globe icon and text about quality control. The 'Product Gallery' shows a group of people. The 'Patrons' section is divided into 'EUROPE' and 'USA'. The 'EUROPE' list includes: C & A, Decathlon, Groupes Dan, Isomat, Higon, West Sells, Ed & Jones, City, Home it, Outfitter Nation, Timberland, Quiksilver - Ross, Next, and Indigo - Zira. The 'USA' list includes: Gap, KJ Somers, Express, Tommy Hilf, Sears / Roebuck, M&M's, Kenneth Cole, Polo Ralph Lauren, Fabletics, Dore & Conditoni, Wolterbein, and Out There Golf.

## Appendix 6 (cont)



## Appendix 6 (cont)




## Appendix 7: Switcher and Prem Group's relationship





## Appendix 8: Wallis statement of ethical responsibilities



critical Policy - Womens Fashion - Wallis - Windows Internet Explorer

W: http://www.wallis.co.uk/arcadia/responsibilities/arcadia-code-of-conduct-2009.aspx?lang=en&id=2009&id=arcadia-code-of-conduct-2009.aspx

Google Wallis Search Share Sidebar Check Add Toolbar AutoFill Wallis Sign In

W: Ethical Policy - Womens Fashion - Wallis - Windows Internet Explorer

HOME NEW IN CLOTHING DRESS SHOP PETITE SHOP SHOES ACCESSORIES COLLECTIONS BOUTIQUE BLOG

WALLIS RESPONSIBILITIES

When customers buy our goods, we want them to be confident that they have been produced under acceptable conditions. That means the goods must have been produced:

- lawfully, through fair and honest dealing;
- without exploiting the people who made them;
- in decent working conditions; and
- without damaging the environment.

The Arcadia Code of Conduct applies to the manufacturer or any other person involved in supplying goods to our companies. The code is designed to be fair, achievable and easy to check, and to promote the ongoing development of our suppliers.

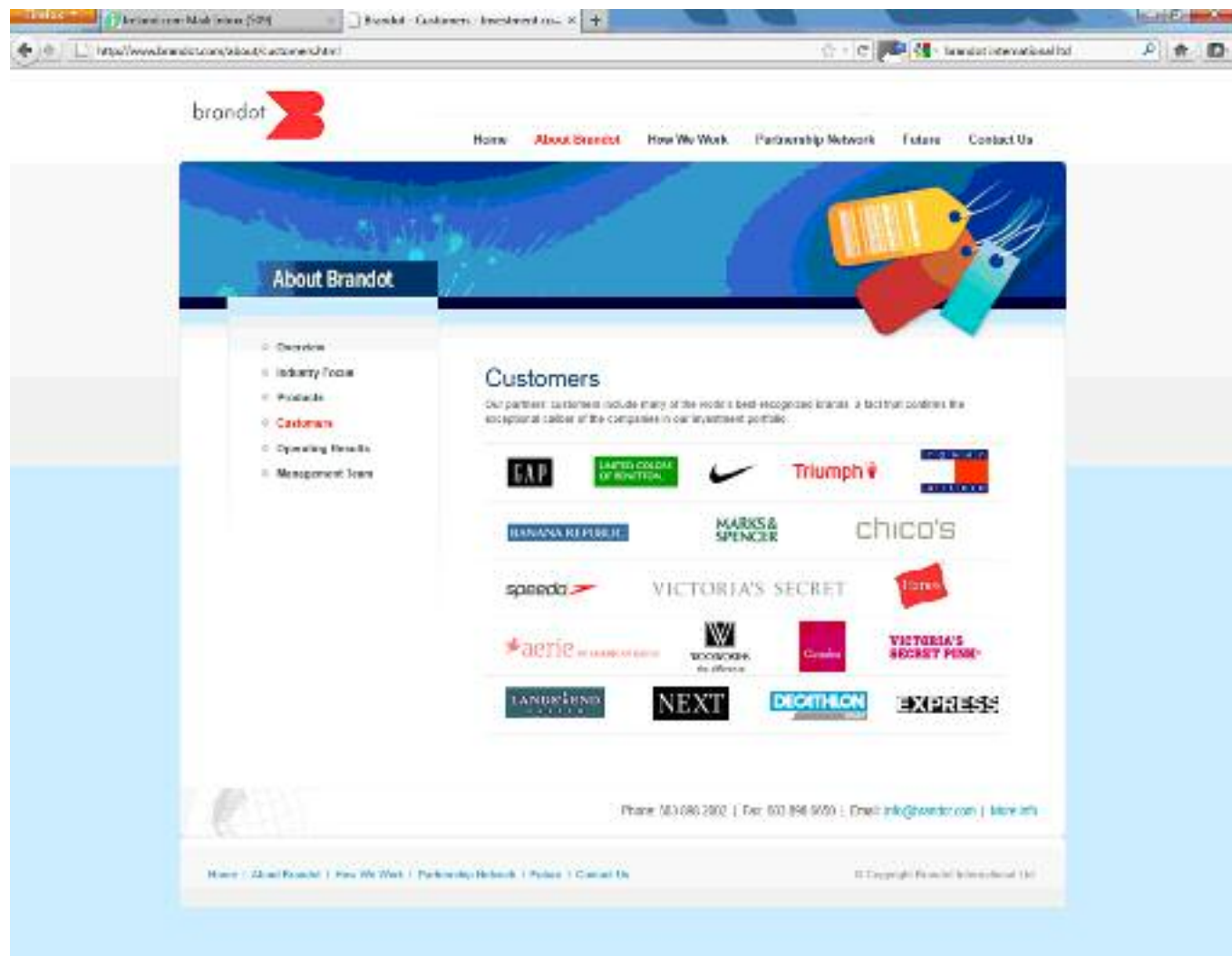
The code is based on the International Labour Organization (ILO) conventions and recommendations, and applies to all brands underneath the Arcadia umbrella.

For more information...

- [Read the Arcadia Group Responsibility Report 2009](#)
- [View the Arcadia Group Code of Conduct](#)
- [See our ethical policy FAQs](#)
- [Examine our Code of Conduct Guidebook](#)

Internet | Arcadia | Made in GB 2009

## Appendix 9: Brandot customers



## Appendix 10: S P Apparels customers



The screenshot shows the website for S.P. APPARELS Ltd. The page features a navigation menu with links for 'About Us', 'Products', 'Manufacturing facility', 'Export', 'Domestic', 'CSR', 'Subsidiaries', 'Infrastructure', 'Regional Service', and 'Environmental Initiatives'. A central banner displays a group of diverse people wearing various clothing items. Below the banner, there is a 'GETTING HERE' section with a world map and a 'OUR CUSTOMER' section listing several retail partners.

**S.P. APPARELS Ltd.**










Getting here | Contact | Contact

About Us | Products | Manufacturing facility | Export | Domestic | CSR | Subsidiaries | Infrastructure | Regional Service | Environmental Initiatives

Design Studio | Product Range | Product Mix | OUR CUSTOMER

GETTING HERE

OUR CUSTOMER

		
Molloy Core, UK	Dunn's Stores, Ireland	Tesco, UK
		
George (M&M) Walmart, U.S.	Wendy's U.S.	The Children's Place U.S.
		
United Colors of Benetton, Italy	Mark's and Spencer U.S.	GAP - U.S.
		
John Lewis	Sainsbury's	

## Appendix 11: Table showing recent export data link between brands and Indian suppliers found to be using forced labour

Indian suppliers	Brands with June/July export data link and involved in negotiations	Brands with June/July export data link and not involved in negotiations
<i>SP Apparel</i> <sup>1</sup>	Marks & Spencer x• Mothercare ✓x* Tesco ✓* Asda-Walmart ✓• H&M x*	Dunnes Crystal Martin Garan
<i>PREM</i> <sup>1</sup>	Asda-Walmart •	Switcher Paradise Limited Exquisite Apparel Jacobs+Turner Kouper Industries Premdurai Imports
<i>SCM</i> <sup>1</sup>	Tesco ✓* C&A ✓* Mothercare x*	Hanesbrands ✓ John David Group EMC Distribution Carrefour ✓ Dunnes Decathlon x Kiabi x Kmart x
<i>Eastman</i> <sup>2</sup>	Bestseller* Gap* Inditex*	JD Sports Garcia Migros El Corte Ingles
<i>Banna Ariyaman</i> <sup>2</sup>		Blue Star x Mast Industries x Children's Place x
<i>SSM</i> <sup>3</sup>	C&A*	Crystal Martin John Lewis
<i>KPR</i> <sup>3</sup>	Marks & Spencer x• Tesco ✓* Primark ✓* Next x*	Ernstings Family ✓ Sandy Discount Kmart x Decathlon

Brands without June/July 2011 export link who purchase garments from Tamil Nadu and signed up to the company only response.

Nike\*  
Levi-Strauss\*  
Arcadia\*  
Cortefiel\*  
ASOS\*  
ARCO\*  
Monsoon\*  
Pentland\*  
Sainsbury's\*  
VF Corp\*  
New Balance\*  
Ted Baker\*

### Key:

- - own response
  - - did not reply
  - ✓ - July export data - Tuticorn
  - x - July export data - Madras
  - \* - signed brand response
- 1 - Supplier researched by Anti-Slavery International  
2 - Supplier researched separately by Anti-Slavery International and Somo/ICN  
3 - Supplier researched by Somo/ICN. To view their report (May 2011) visit: <http://somo.nl/news-en/exploited-dalit-girls-produce-garments-in-india-for-european-and-us-markets>



## Appendix 12: Terms of reference for ETI stakeholder engagement in Tamil Nadu

### TERMS OF REFERENCE ETI STAKEHOLDER ENGAGEMENT IN TAMIL NADU

#### BACKGROUND

Recent reports have brought to light concerns about labour practices in the garment industry in Tamil Nadu, centred around Tirupur. Specific concerns have been expressed about practices known as Sumangali and Camp-Coolie, aspects of which may contravene local law and international standards. Local industry, government and civil society have responded to these concerns through various channels, including the Tirupur Stakeholders Forum and the Tirupur Peoples' Forum and in actions to change practices. At the same time international brands, retailers and others in the supply chain have also been recognised that there is more to do and that more coordinated action would be in the best interests of all. As a first step there is a real opportunity to develop a better and common understanding of the perspectives of different parties, including the workers themselves, and the actions that can be taken. Shared understanding can drive more coordinated action that supports the sustained growth of the sector in the region and improved conditions for workers.

The ETI has facilitated discussions amongst brands and retailers from Europe and the United States, international NGOs and Trade Unions. At a recent meeting it was agreed it would be in the best interests of all concerned to hold a stakeholder event in the region that promotes a shared understanding and coordinated action. All involved in these discussions are very concerned that initiatives should be locally owned and rooted, ensure a leadership role for local government, industry and civil society and be based on an open discussion that respects different perspectives.

#### OBJECTIVES

This TOR sets out a work-stream that ultimately aims to: Promote more effective collaboration between local and international stakeholders on specific agreed plans that tackle labour rights issues in the Tamil Nadu garment industry centred around Tirupur.

This work-stream is broken down into three phases, recognising that there will be decisions at the end of phases one and two before progressing.

The phases and specific objectives are:

Phase 1) Assess the interest from the various relevant parties to participate in a stakeholder event and identify expectations and the most suitable institutional arrangements.

Output A proposal agreed by all key parties for the form and organisation of a stakeholder event.

Phase 2) Support the preparation, briefings, contributions and development of an agreed plan for the event.

Outputs Relevant briefing materials to support the event;  
Relevant speakers and contributors identified and briefed;  
An agreed plan for the event developed with key local stakeholders.

Phase 3) Provide support/facilitation to a successful stakeholder event that promotes collaboration for effective action.

Output Successful meeting assessed against the objectives developed, which results in more effective collective action to improve workers' conditions in the sector, with an emphasis on Sumangali and Camp Coolie.

**EXECUTION**

It is ETI's intent and hope that the present initiative will strengthen the activities of local actors, and that they will take ownership of the proposed stakeholder event and subsequent processes. Stakeholder processes who have met under the auspices of ETI have a number of local partners, employees and are an invaluable resource in helping achieve the objectives set out above. However, to deliver the objectives above, provide a focus for inputs and coordinate discussions, a local consultant is engaged through the ETI, to work with local actors to facilitate the organisation of the event. It may be appropriate for phase three to be carried out by a consultant or institution.

The Group has initially suggested a suitable window of late November early December but the date would need to be discussed with local stakeholders. Based on the assumption that it can be agreed, we propose the following timeline:

#	Activity Phase 1	Due Date
1.1	Agree TOR among ETI related stakeholders.	July 15
1.2	Create a funding and oversight mechanism to support local stakeholders.	July 30
1.3	Identify a local consultant to undertake phases 1 & 2.	August 22
1.4	Undertake consultations with Tirupur Stakeholders Forum and other stakeholders, collect data, identify options for event.	August 30
1.5	Prepare brief concept paper on event and share with stakeholders.	Sept 15
1.6	Gather input and modify concept to a fundable proposal.	Sept 25
1.7	Present proposal to key stakeholders.	Sept 30
#	Activity Phase 2	Due Date
2.1	Gather and collate relevant preparatory materials.	October 10
2.2	Identify and secure location and communicate date and venue.	October 15
2.3	Identify and secure speakers, contributors and support.	October 15
2.4	Finalise logistics, invites, event organisation etc.	October 30
2.5	Disseminate draft briefing material for comment.	November 1
2.6	Finalise and disseminate briefing materials.	November 15
#	Activity Phase 3	Due Date
3.1	Identify/clarify role of event facilitator/s develop TOR.	November 1
3.2	Brief facilitator/s, meet with key stakeholders.	December 1
3.3	Agree and finalise event agenda and design.	December 1
3.4	Facilitate event	December 16
3.5	Oversee preparation of event report	January 15

## **COSTING**

The following costing assumes that stakeholders' own staff will be able to assist in providing information and sharing contacts and that ETI would provide oversight and coordination.

### Phase 1

An estimate for a consultant to undertake steps 1.4 to 1.7 of Phase 1 would be for 2 month period from August to September 2011. At a daily rate of approximately GBP400 per day, an estimated budget for this phase would be:  
GBP 10,000.

### Phase 2

An estimate for a consultant to undertake steps 2.1 to 2.6 of Phase 2 would be for 1 month period from mid-October to mid-November 2011. At a daily rate of approximately GBP600 per day, an estimated budget for this phase would be:  
GBP 6,000.

### Phase 3

An estimate for a consultant to undertake steps 3.2 to 3.5 of Phase 3 would be for 1 month period of mid November to mid January. At a daily rate of approximately GBP500 per day, an estimated budget for this phase would be:  
GBP 5,000.

Total for whole project: proposal

GBP 21,000 plus VAT.

Anti-Slavery International, founded in 1839, is committed to eliminating all forms of slavery throughout the world. Slavery, servitude and forced labour are violations of individual freedoms, which deny millions of people their basic dignity and fundamental human rights. Anti-Slavery International works to end these abuses by exposing current cases of slavery, campaigning for its eradication, supporting the initiatives of local organisations to release people, and pressing for more effective implementation of international laws against slavery. For further information see: [www.antislavery.org](http://www.antislavery.org).

Registered charity: 1049160

Anti-Slavery International would like to thank Humanity United for funding this project. The views expressed herein are those of Anti-Slavery and in no way reflect the opinion of the funder.



Humanity United is a U.S.-based foundation dedicated to building peace and advancing human freedom. At home and in the corners of the globe where these ideals are challenged most, Humanity United leads and supports efforts to lift up the voices and will of people, ensure good governance and the rule of law, engage markets and business as a force for change, and encourage the exploration of promising ideas and innovations to end conflict and slavery. All with the belief that everyone has the right to a life that is peaceful and free. Learn more at [HumanityUnited.org](http://HumanityUnited.org).



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Anti-Slavery International  
Thomas Clarkson House, The Stableyard  
Broomgrove Road, London SW9 9TL  
Tel: **+44(0)20 7501 8920** Fax: +44(0)20 7738 4110  
e-mail: [info@antislavery.org](mailto:info@antislavery.org)  
[www.antislavery.org](http://www.antislavery.org)