



# Colophon

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Thanks to Martha Kapazoglou and Eva Loeve, who supported work on this report during their internships at SOMO in 2020 and 2021. Also, many thanks to the Dutch anthropologist<sup>1</sup> who joined the research team in a volunteer capacity, from mid-October 2019 to mid-January 2020.

Arisa and SOMO are part of the Dutch coalition of the Clean Clothes Campaign (CCC).

This publication has been made possible with financial assistance from Mondiaal FNV and the Dutch Ministry of Foreign Affairs (Strategic Partnership - FGG).

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May 2021.



## SOMO

SOMO investigates multinationals. We conduct action-oriented research to expose the impact and unprecedented power of multinationals. Cooperating with hundreds of organisations around the world, we ensure that our information arrives where it has the most impact: from communities and courtrooms to civil society organisations, media and politicians. [www.somo.nl](http://www.somo.nl)



## Arisa

Arisa is an independent human rights organisation aiming to support and strengthen human rights in South Asia, together with local NGOs and trade unions. The focus of our work is on the rights of vulnerable groups in global supply chains. [www.arisa.nl](http://www.arisa.nl)

## Indian partners

The Indian counterparts are well-respected and well-established labour rights and human rights organisations and labour researchers based in Tamil Nadu who SOMO and Arisa have been working with for years. We cannot reveal their identities in this public report, for fear of retaliation.



# Preface

It would be easy to assume, as a consumer in a globalised economy, that there are no secrets about how products are made. We are bombarded daily with images of new clothes, worn by models on billboards, or endorsed by influencers on social media around the world. And with brands increasingly committed to safeguarding both environmental standards and human rights, and governments slowly imposing laws to prevent violations of these rights throughout supply chains, then surely a fair apparel production process seems within reach? Unfortunately, as this report shows, such a situation is still a long way away.

Behind the scenes - and away from the scrutiny of buyers, brands, and inspectors - millions of people are working in conditions you do not wish upon anyone, to create the yarn and fabric required for clothing.

The apparel supply chain is highly fragmented, both vertically and horizontally. Yarn and fabric can be sold from one entrepreneur to another before finally ending up in factories producing branded goods. To the brands, it may seem like their t-shirts, shirts and trousers are created under fair circumstances because the working conditions and labour standards at the factory are regularly inspected, and the brands receive positive assessments of what is happening there. The same applies for factories where household textiles are produced.

Yarn and fabric suppliers further up the supply chain receive, however, much less attention. This report by SOMO and Arisa, supported by Mondiaal FNV, includes a detailed description and analysis of the human rights situation in the textile mills of Tamil Nadu where workers' rights are being violated, workers are too afraid to object to sub-standard working conditions and excessive overtime for fear of losing their jobs, women are suffering harassment on the factory floor and in the hostels where they are obliged to live, and workers are not being paid a proper wage. This report makes painfully clear that there is a dire need for all corporate actors along the apparel supply chain to commit to heightened Human Rights Due Diligence in all phases of product development, also in the upstream supply chain. It includes clear recommendations to brands on what action they should take, and where their focus should lie. One such recommendation is engaging in rigorous supply chain mapping, along with, and this recommendation is close to my heart, actively committing to furthering freedom of association and collective bargaining. Facilitating the establishment and functioning of democratically elected, independent, factory-level trade unions that give workers a voice in improving their working conditions is essential to finally creating supply chains.

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# Abbreviations

AGT:	Dutch Agreement on Sustainable Garments and Textile
AITUC:	All India Trade Union Congress
CITU:	Centre of Indian Trade Unions
BC:	Backward Caste
BCI:	Better Cotton Initiative
BHRE:	Business, Human Rights and the Environment Research Group
CMT:	Cut Make Trim
CoC:	Chain of Custody
ESI:	Employee's State Insurance
EPF:	Employees' Provident Fund
ETI:	Ethical Trading Initiative
FC:	Forward Caste
FGD:	Focus Group Discussion
FLA:	Fair Labor Association
FNV:	Federatie Nederlandse Vakbeweging
FWF:	Fair Wear Foundation
GOTS:	Global Organic Textile Standard
HRDD:	Human Rights Due Diligence
ICC:	Internal Complaint Committees
ICN:	India Committee of the Netherlands (now Arisa)
IDSN:	International Dalit Solidarity Network
ILO:	International Labour Organization
ITUC:	International Trade Union Confederation
MBC:	Most Backward Caste
mHRDD:	Mandatory Human Rights Due Diligence
MSI:	Multi-Stakeholder Initiative
NGO:	Non-Governmental Organisation
OBC:	Other Backward Class
OT:	Overtime
PST:	German Partnership for Sustainable Textiles
RBC:	Responsible Business Conduct
RBI:	Responsible Business Initiative
SAI:	Social Accountability International
SC:	Scheduled Caste
SIMA:	Southern India Mills' Association
ST:	Scheduled Tribe
TASMA:	Tamilnadu Spinning Mills Association
TEA:	Tirupur Exporters' Association
UNGP:	United Nations Guiding Principles on Business and Human Rights
WC:	Works Committee

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The state of Tamil Nadu in the southern part of India, is a major hub in the global cotton-based textile and garment industry. Countless foreign factories, brands and retailers are sourcing a variety of products made in Tamil Nadu, from yarns and fabrics to apparel items and household textiles. Hundreds of spinning mills operate around the clock to churn out huge quantities of yarns and fabrics. Over sixty per cent of all Indian spinning mills are located in this state and employ over 280,000 workers. Tamil Nadu is the second largest contributor to the national Indian textiles industry, accounting for 19 per cent of the country's overall textile output.

But the Tamil Nadu textile industry is also the scene of persistent labour rights violations. In the past ten years, SOMO and Arisa<sup>2</sup>, along with other civil society actors<sup>3</sup> have reported on a range of labour rights violations, including child labour, discrimination on the basis of caste and tribal background, and forms of forced labour in garment and textile factories.

| *'We are working non-stop, without knowing whether it is day or night.'*

## About the research

For this research, Arisa and SOMO<sup>4</sup> again looked at labour conditions in the Tamil Nadu textile industry, this time focusing on the risk and existence of forced labour, using the 11 indicators of forced labour as defined by the International Labour Organization (ILO) as a guide?

### These 11 indicators are:

1. Abuse of vulnerability;
2. Deception;
3. Restriction of movement;
4. Isolation;
5. Physical and sexual violence;
6. Intimidation and threats;
7. Retention of identity documents;
8. Withholding of wages;
9. Debt bondage;
10. Abusive working and living conditions;
11. Excessive overtime.

The aim of SOMO and Arisa is to help enable structural improvements to employment, working, and living conditions for workers in the Indian textile and garment industry, and in particular, for the most vulnerable worker groups (such as child and adolescent workers, female workers, migrant workers, and workers with a tribal, ethnic or low caste background, including Dalits<sup>5</sup>).

## Methodology

For this report we conducted desk research to chart the trade flows of textiles and apparel items from Tamil Nadu to their export destinations, and uncover the supply chain relationships between buying companies and spinning mills.

At the centre of this report are the findings from the large-scale field research we undertook, which looked in-depth at 29 spinning mills, located in various districts in Tamil Nadu. Our Indian counterparts conducted lengthy, structured interviews with 725 workers: 441 men and 284 women. This sample was enough to give us a good

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insight into the Tamil Nadu textile sector, which encompasses more than 2,000 spinning mills. As well as individual interviews, we organised focus group discussions on three specific topics, with groups of workers from four mills. All the interviews took place between October 2019 and January 2020 and, to increase our understanding of the impact of the corona crisis on the sector and workers, we conducted further interviews with 15 workers in October 2020.

Before publication, we shared parts of the draft report with the garment manufacturers, brands and retailers that we found to have links with the 29 investigated mills. The outcomes of this review are described in detail in the report.

For security reasons, we anonymised the mills in this report; the mills have numbers (1-30). As the mills are not mentioned recognisably in the report, we have not included the mills in the review.

We do not disclose the names of the interviewed workers. Quotes of workers have been anonymised. This is for security reasons, there is a conceivable risk of retaliation by employers and local authorities.

## Forced labour in the Tamil Nadu textile industry – existence and risk

In this report, we present evidence of the existence and/or the risk of forced labour in the 29 spinning mills that we investigated. The indicators of most concern to us are: abuse of vulnerability, deception, intimidation and threats, abusive working and living conditions, and excessive overtime. These indicators were most present in our sample of mills.

The new findings presented in this report, combined with analysis done earlier by Arisa, SOMO and other organisations, allow us to conclude that the problems we found are not limited to the researched mills; forced labour is a major risk throughout the entire Tamil Nadu textile sector.

*'I am not happy, I am feeling trapped. This makes me feel angry. I feel like running away from this place but I can't leave due to my family's situation.'*

This research shows that a considerable proportion of workers in this sector are labour migrants. From various lingual groups, these workers face language barriers that complicate their communications with employers, HR managers, and supervisors, as well as with other workers, both socially and on work-related topics. This situation makes workers vulnerable and isolated.

*'Only my salary keeps my family alive. It is very difficult to work here but there is no other choice.'*

The majority of the workers we interviewed had received incorrect information during their recruitment, about the working and living conditions in their prospective jobs. Only once they began working, and were living in the hostel, did they discover that their wages were lower than expected, their working hours were longer than they had been told, and annual leave was unpaid. They also found that money was being deducted from their wages for food and accommodation, contrary to what they had been told during recruitment. This situation amounts to deceptive recruitment.

Interviewed workers described the huge pressure they are under to do overtime to meet their employer's schedule and demands. This pressure can take all forms: scolding, getting 'a black mark on our record', having to do an extra shift, threat of dismissal, delayed payment of wages, and deductions from wages. The picture painted by those interviewed was of a climate of fear within the spinning mills. The workers internalise the threats they receive, and think that whatever their employers and superiors are threatening them with will actually happen.

Spinning mill workers work extremely long hours. Interviewed workers spoke of 12-hour shifts, and having to work two 8-hour shifts in a row is not uncommon. Occasionally, workers are even made to work three 8-hour shifts

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back-to-back. Hostel workers reported that they are regularly woken up in the middle of the night in order to work. This is clear evidence of excessive and involuntary overtime.

*'Most of my life I am spending with the machines. There is absolutely no contact with the outside world.'*

Low wages are another obvious problem. Interviewed workers said their wages were not sufficient to maintain their families. Wages are often further reduced by deductions or financial penalties imposed by management for 'misconduct'. Many workers have no formal written confirmation of their employment terms and employment relationship, so have nothing to fall back on to claim what was promised to them. This is evidence of abusive working conditions, deception, and the abuse of vulnerable workers.

*'We can't take leave, if we take leave our wages will be delayed. We have to keep working for the sake of our families and most of us have debts and loans to pay off.'*

## Linking Tamil Nadu spinning mills to international garment brands and retailers

The Tamil Nadu textile and garment industry is mainly export-oriented, producing various goods for foreign garment factories, brands, and retailers, including yarns, fabrics, apparel items and household textile. We focused, in this research, on the European and US brands and retailers that cater to Dutch and European markets. Despite painstaking desk research, it proved difficult to establish concrete links between the 29 spinning mills we investigated, and buying companies, because of the pervasive lack of transparency about trade flows and supply chain relationships. This lack of transparency is a major issue in the global textile and garment industry.

On the basis of our supply chain research, we were able to establish direct and/or indirect links between 10 garment brands and retailers, and the mills we investigated. SOMO and Arisa use the term 'direct link' to mean cases where yarn and/or fabric used in the brand/retailer's products comes from one of the investigated mills. This does not mean that the brand/retailer has a contractual relationship with the investigated spinning mill; there may be one or more suppliers and/or agents in between (for example, garment factories). We speak of indirect links between brands/retailers and the mills under investigation, in cases where a brand/retailer sources from a CMT-unit that is part of the same vertically integrated company as the mill we investigated but yarn/ fabrics do not come from the investigated mill but from another spinning unit within this company; or even from a spinning unit outside this company.

SOMO and Arisa are of the opinion that also in the latter case, there is a responsibility to conduct 'heightened human rights due diligence'. If labour rights and human rights issues become apparent, for example by means of CSO reports like the current SOMO-Arisa report, in units belonging to the same company as where branded products are made regardless of the direct or indirect relation to the unit where issues are reported, then these are signals to be taken seriously and require the buyers to investigate and take action.

We are aware that we have only been able to establish a limited number of supply chain links. There are many other corporate actors involved besides the ones mentioned in this report.

### In alphabetical order these ten companies are:

1	Carrefour	6	Sainsbury's
2	GAP	7	Tesco
3	IKEA	8	The Cookie Company
4	Marc O'Polo	9	WE Fashion
5	NEXT	10	Zeeman

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We distinguish five ways, or scenarios, in which brands and retailers could be linked to spinning units. Note: more than one scenario may apply in the supply chain of a buyer company.

**Scenario 1. (direct link)** The spinning units are part of the supply chain of a brand/retailer because the brand/retailer works with a sourcing model which identifies the spinning mills that should supply yarn and/or fabrics ('nominated' or 'preferred' suppliers) for the production of end-products.

Example: Tesco (mill 14).

**Scenario 2. (direct link)** A brand/retailer is linked to a spinning unit through a garment factory - that may be based in India or another country - that sources yarn/fabrics from the spinning unit in question. The brand/retailer outsources the responsibility to select the yarn/fabric supplier to the first-tier supplier (a garment factory or an agent).

Examples: Zeeman (mill 6), WE Fashion (mill 3).

**Scenario 3. (direct link)** A brand/retailer sources from a CMT unit of a vertically integrated company that also encompasses one or more spinning units. Yarn/fabrics are supplied by the spinning unit of the umbrella company.

**Scenario 4. (indirect link)** A brand/retailer sources from a CMT unit of a vertically integrated company that also encompasses one or more spinning units. Yarn/fabrics are supplied by a different unit or company.

Examples: IKEA (mill 19), GAP (mill 7), NEXT (mill 7), Sainsbury's (mill 7), The Cookie Company (mill 27), Marc O'Polo (mill 14).

**Scenario 5.** Brands and retailers source from a garment factory that sources from one of the investigated spinning mills. Yarns and/or fabrics used in the products of the brand/retailer are, however, sourced from another supplier. There are obviously many more international brands and retailers - both big and small - that are linked to Tamil Nadu spinning mills. The lack of supply chain transparency makes it impossible to identify the specifics of these links. In some cases, we found brands/retailers to be sourcing from (or to have had sourcing relations with) a CMT unit within a vertically integrated companies that also encompasses one of the 29 spinning units that we investigated, without us being able to establish the full details of the sourcing relation.

One example is Carrefour (mill 7) and The Cookie Company (mill 9).

Summing up: the brands and retailers that we found to have direct or indirect links with the mills we researched are (in alphabetical order): Tesco, WE Fashion, Zeeman (direct links), and Carrefour, GAP, IKEA, Marc O'Polo, NEXT, Sainsbury's, The Cookie Company (indirect links).

## The bigger picture

Hundreds of companies must be sourcing from garment factories in Tamil Nadu, given the size of the Tamil Nadu industry. The following 25 apparel importers (listed in alphabetical order) are selected on the basis of information derived from the trade database Panjiva, particularly the number of shipments, and shipment value 2019 - 2020:

- |                                 |                               |
|---------------------------------|-------------------------------|
| 1. Ann Taylor (US)              | 13. NEXT (UK)                 |
| 2. Asda (UK)                    | 14. Orchestra (France)        |
| 3. ASOS (UK)                    | 15. P&P Loyal (Italy)         |
| 4. G-Star Raw (The Netherlands) | 16. PEPCO (Poland)            |
| 5. GAP (US)                     | 17. Primark (Ireland)         |
| 6. Guess (US)                   | 18. Ralph Lauren (US)         |
| 7. H&M (Sweden)                 | 19. River Island (UK)         |
| 8. J. Crew (US)                 | 20. Takko (Germany)           |
| 9. Jockey (US)                  | 21. Tesco (UK)                |
| 10. Kidiliz Group (France)      | 22. The Children's Place (US) |
| 11. Marks & Spencer (UK)        | 23. Tom Tailor (Germany)      |
| 12. Mast Industries (US)        | 24. Sainsbury's (UK)          |
|                                 | 25. Walmart (US)              |

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For GAP, Next, Sainsbury's and Tesco we found direct or indirect links with the investigated spinning mills or with the larger companies of which the investigated spinning units are part of. It is likely that the other 21 apparel importers on this list are also using yarns and fabrics produced by Tamil Nadu spinning mills. So far, we have been unable to find information about direct or indirect links between these apparel importers and a specific spinning mill or spinning unit.

## Frontrunners catching fire

Brands and retailers that are frontrunners in terms of supply chain transparency are allowing themselves to be linked to potential human rights and labour rights violations in their supplier factories. If these links to violations and abuses are discovered, it could result in exposure in the media, public disapproval, and reputation damage. Competitors that lag behind in terms of supply chain transparency may very well have human rights and labour rights violations occurring in their supply chain, but do not face the same type of exposure, and so stay quietly under the radar. A level playing field does, therefore, not exist; Arisa and SOMO are calling for this to change.

## Impact of the coronavirus crisis

In July 2020, we conducted additional interviews with 15 workers to hear first-hand from them how the corona crisis had affected their lives. These interviews gave us an impression of the problems facing workers since the pandemic. None of the workers had received their regular wages during the period of lockdown. The Tamil Nadu state government made a one-off payment of INR 1,000 (€ 12), but only six workers received the additional promised ration cards for food. Only two of the interviewed workers were able to stay in the hostel during the lockdown, the others were sent home. All the respondents said that, following lockdown, the workforce had been almost halved, due to a dramatic decrease in demand for products, and difficulties with delivery of inputs (cotton), because businesses had closed. Post-lockdown, workers who were rehired were no longer paid for overtime. Workers also described inadequate measures being taken against coronavirus, in the workplace and especially in the hostels.

## Conclusions and recommendations

This report presents clear evidence of the existence and/or risks of forced labour in the 29 spinning facilities in Tamil Nadu that we investigated. This evidence has led us to conclude that the risk of forced labour practices throughout the Tamil Nadu textile industry is sky-high.

Foreign brands and retailers, directly or indirectly sourcing yarn and/or textiles from spinning facilities in Tamil Nadu, risk becoming linked – directly or indirectly - with such inhumane practices.

For many years now, Arisa and SOMO have been reporting on the appalling labour conditions in the garment and textile industry in Tamil Nadu. It is deeply depressing that we are now reporting again on similar issues, but this time in a much larger sample than previously.

In the past years, all kinds of voluntary corporate improvement schemes and activities have been implemented but, given the situation we found, we can only conclude that these initiatives are not enough, as there has been insufficient change in the respect for, and protection of, human and labour rights. More, and stronger, measures are required to bring about the necessary structural changes to labour conditions in the Tamil Nadu textile industry.

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**This report offers a set of concrete, detailed recommendations. The main points are:**

- International buying companies (brands and retailers) must acquire detailed insight into their upstream supply chains, and map their suppliers beyond first-tier end-product manufacturers up to the level of spinning mills/units. Using blockchain-based documentation is one option;
- International buying companies (brands and retailers) must publicly disclose full supply chain details;
- At the very least, international buying companies must insist with their first-tier suppliers (end-product manufacturers) that the latter make sure that their suppliers of yarns and fabrics (spinning mills) adhere to international labour standards. A minimum requirement that end-product manufacturers must demand from spinning mills is that all spinning mill workers receive proper employment contracts and monthly pay slips;
- International buying companies must gain control over and consolidate their supply chain, and establish direct relationships with spinning mills. A sourcing model based on 'preferred or nominated mills' and 'declarations of traceability' is one option;
- International buying companies must take responsibility for the communication about human rights and labour rights with spinning mills, the setting of standards at spinning mills and the monitoring thereof;
- International buying companies should base HRDD policies and practices on a progressive interpretation of what constitutes the production network. If non-compliance practices - such as human rights or labour rights issues - become apparent, for example by means of CSO reports, in units belonging to the same company as where your products are made regardless of the direct or indirect relation to the problematic unit, then these are signals to be taken seriously and require the buyer to investigate and take action;
- As part of their human rights due diligence obligations, companies must increase and improve collaborative efforts to prevent, mitigate, and remediate human rights and labour rights violations;
- At all stages of the human rights due diligence processes, companies must include rights-holders, their representative organisations, and other relevant stakeholders in a meaningful way;
- Alongside the voluntary actions companies are urgently required to take, Arisa and SOMO also advocate for brands and retailers to join enforceable brand agreements;
- SOMO and Arisa argue for legislative and regulatory measures, at both national and international levels, to force companies to take responsibility for human rights violations happening in their international supply chains, and hold them accountable if they fail to do so.

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# 1. Introduction

## 1.1. Why this research?

Tamil Nadu in south India, is a major hub in the global cotton-based textile and garment industry. Yarn and fabric producers based in Tamil Nadu supply garment factories in India and elsewhere; these factories then go on to supply countless brands and retailers around the world. Tamil Nadu is also the location of persistent labour rights violations.

In the past years, SOMO and Arisa (formerly the India Committee of the Netherlands (ICN)) have conducted repeated research into labour issues within the export-oriented garment and textile industry in Tamil Nadu.<sup>6</sup> In previous reports, SOMO and Arisa mapped out the risks and presented evidence of the ongoing violations of fundamental labour rights in this region, such as child labour, discrimination on the basis of caste and tribal background, and forced labour. In other publications, we have also flagged up the problems caused by lack of supply chain transparency and ineffective grievance mechanisms<sup>7</sup>.

The main purpose of this research was to investigate the scale and risks of the forced labour - as defined by the International Labour Organization (ILO) – occurring in the textile industry in Tamil Nadu. Furthermore, we aimed to establish and define the links that exist between international garment brands and retailers, and a number of spinning mills in Tamil Nadu.

The main objective of this, and previous research projects, is to help bring about structural improvements of employment, working and living conditions in the Indian textile and garment industry. We are particularly concerned for the groups among the labour force prone to abuse and susceptible to becoming victim of forced labour, such as: child and adolescent workers; female workers; migrant workers; workers with a distinct tribal, ethnic or caste background; workers that have more than one of the aforementioned characteristics.

In this research, we focus on European and US buying companies. Firstly, as organisations based in Europe, we work to hold companies headquartered in Europe to account. Secondly, the purchasing practices that prevail in the sector contribute to the continued exploitation of labour in global garment supply chains. Brands and retailers have a responsibility to cease, prevent, mitigate and remediate adverse impacts on human rights occurring in their supply chains. In practical terms, SOMO, Arisa, and our Indian counterparts will use these research findings to communicate and engage with industry and government actors.

## 1.2. Reading guide

Chapter 2 gives details of the research methodology. In chapter 3 we describe the textile and garment industry in India and Tamil Nadu. Chapter 4 identifies the existing normative frameworks on forced labour. Chapter 5 presents the findings of the field research and describes the labour conditions of the workers in the spinning mills (using the 11 indicators of forced labour as categories). Chapter 6 studies the interviews with workers which focused on the impact of the coronavirus crisis. Chapter 7 summarises the responses from brands, retailers, certification initiatives and Responsible Business Conduct (RBC) initiatives. In chapters 8 and 9 we present our conclusions and recommendations.

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## 2. Methodology

The current report is the result of findings from large-scale field research and desk research into the recruitment, and the working and living conditions, of intrastate and interstate migrant workers in Tamil Nadu spinning mills, focusing on the risk and existence of forced labour.

### 2.1. Selection of mills

There are more than 2,000 spinning mills in the state of Tamil Nadu<sup>8</sup> but up-to-date information about where these mills are in the various districts is hard to find.

For this research, we looked at 29 spinning mills. We recognise that, while this cannot be a statistically representative sample, we believe it is enough to draw conclusions about what is happening in the sector.

In this chapter, we explain how we came to select these 29 mills. Chapter 3 includes more information on the spinning mill industry in Tamil Nadu.

We first contacted various stakeholders and corporate actors, and asked them to nominate mills to investigate. We approached member companies of AGT, contacts at FWF, FLA, and at various Indian NGOs. These organisations did give us some suggestions but, unfortunately, not as many concrete leads as we had hoped.

We formulated a number of criteria to help identify which mills to investigate, including: geographical distribution across the districts of Tamil Nadu; the size of the workforce at the mill; the presence of intrastate and/or interstate migrants, and the presence of factory hostels. We also included mills that were not part of the improvement projects currently being run by AGT and PST.

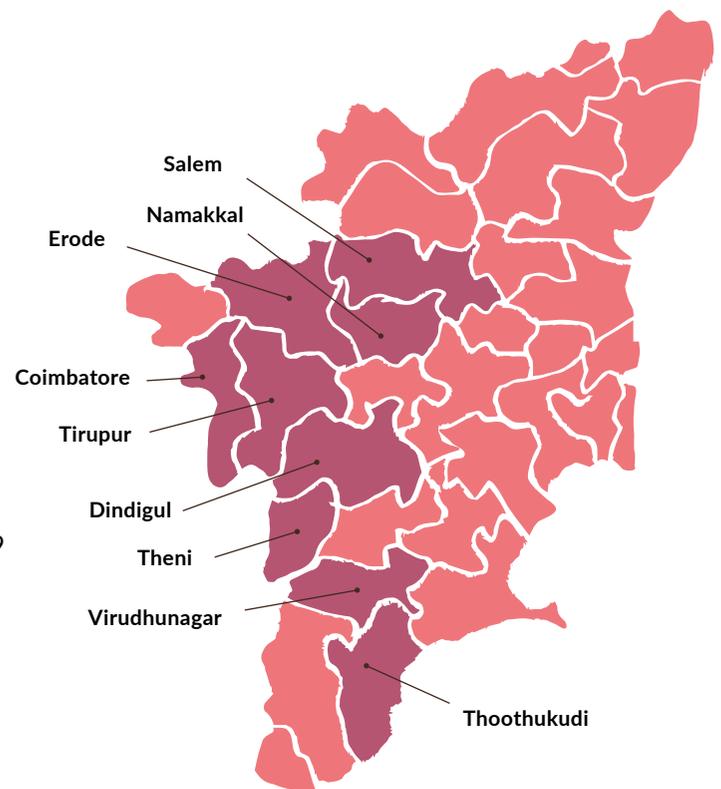
We ensured that stand-alone and vertically integrated mills<sup>9</sup> were included in our research, and we also looked at membership of relevant mill associations and employers' associations in Tamil Nadu.

Interviews were conducted at 30 facilities but, during the review process, we became aware that one of the 30 facilities (number 10) was not a spinning unit but a garmenting unit. Because this report focuses on spinning mills we have since removed all references to facility number 10. The other 29 spinning mills under investigation have retained their original numbering (which explains why there is a spinning mill number 30 in the report).



THE MILLS ARE LOCATED IN 9 DIFFERENT DISTRICTS IN

**TAMIL NADU**



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## 2.2. Field research

### *Individual interviews*

Key to this research are the structured interviews conducted with spinning mill workers. Between October 2019 and January 2020, 725 workers (women and men) were interviewed. 25 workers were interviewed at each of the 29 mills being investigated.

The selection of respondents was done by our Indian counterparts.

All the interviews were conducted outside the workplace, usually at, or near, the markets where workers shopped after leaving the factory premises, or near churches and temples, in public parks, etc.

In about half of the cases, the interviewed worker was accompanied by either co-workers, friends or relatives.

Most interviews were not done all at once, but took place over a number of short conversations. One interview was 15 minutes long but the rest lasted between 30 minutes and 1.5 hours.

### *Focus group discussions (FGD)*

As well as the 725 individual interviews, there were 12 focus group discussions (FGDs) on three topics: recruitment; disciplinary measures; and occupational health and safety. 95 workers - from four mills (number 4, 11, 16 and 22) - also took part in the FGDs.

The FGDs were held in December 2019 and January 2020.

### *Additional interviews to gain insights into the impact of COVID-19 outbreak*

15 female workers were interviewed for a second time, between 10 and 16 July 2020, about how they fared during the COVID-19 outbreak. One interview was conducted by telephone; the other interviews were held in-person. The in-person interviews took place at a range of locations including the worker's home, a workers' hostel, and in public places such as teashops. These interviews took an average of 48 minutes, and all the interviewees were female.

All the female workers were migrant workers from districts within Tamil Nadu. Ten of the workers self-identified as Scheduled Caste, the other five as Most Backward Caste.

These 15 workers worked for eight different mills (number 11, 12, 13, 15, 16, 17, 19 and 22).

### *Research tools*

Specific sets of questions were developed for the individual interviews, the FGDs, and the COVID-19 interviews. SOMO, Arisa, and our Indian counterparts, worked together to formulate the questions which were originally in English and later translated into Tamil. The interview questions took the following order: about the respondent's background (gender, age, marital status, level of education, caste or tribal background, mother tongue, etc.); work-related questions about a range of topics including recruitment, function at the mill, working hours, wage, deductions, leave, grievance mechanism, etc; living conditions. The interviews included open and closed questions.

An open interview format was used for the FGDs, which were facilitated by a discussion leader, with a notetaker also present. FGDs lasted between 2 and 2.5 hours.

The COVID-19 interviews focused both on the lockdown period upto July 2020 and the re-opening of the mills post-lockdown. The questions examined loss of wages and bonuses, basic needs, relief provisions, layoffs, and the worker's current working conditions (working hours, workload, COVID-19 measures, and the workers' needs and concerns). All the interviews concluded with open questions, inviting workers to comment upon their current working life and suggest possible changes.

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## Interviewers

The interviews were conducted by a team of 20 interviewers, hailing from the Indian labour rights and human rights organisations working with SOMO and Arisa on this research project. The team comprised 15 male interviewers, and five female interviewers. Most interviewers spoke Tamil; four interviewers also spoke Hindi. Five interviewers used local interpreters when interviewing non-Tamil speaking respondents. All interviewers were extensively prepared and briefed.

From mid-October 2019 to mid-January 2020, the Indian research team was joined by a Dutch anthropologist<sup>10</sup>, in a volunteer capacity, who conducted interviews with civil society experts, labour recruiters, and workers. For some interviews, this volunteer used local interpreters.

## 2.3. Supply chain research

Links between the spinning mills and buying companies were established using the Open Apparel Registry (OAR)<sup>11</sup> and the Panjiva trade database<sup>12</sup>(a subscription-based database which includes detailed shipment information for a number of countries, including India).

## 2.4. Company review

In December 2020, a drafts of chapters 5 (findings of the field research) was sent to a number of companies – garment manufacturers, brands and retailers – identified as having links to the investigated mills. In some cases, because of the lack of supply chain transparency throughout the sector, we were unable to establish any links between the investigated spinning mills and their customers. The companies – brands, retailers or garment manufacturers – included in the review, were only given the names of mills that we were able to link to them. We asked these companies if they had been, or still were, sourcing from the named spinning mill(s). We also asked for details of the company's sourcing relationship with the mill(s) (direct sourcing, indirect sourcing, nominated mills, etc.), when the sourcing relationship started, when the sourcing relationship ended (if applicable), and what specific products and volumes/values per product, they sourced.

We also asked the companies to inform us of any factual mistakes in the draft chapters they were sent.

## 2.5. Methodological challenges

### *Restricted access to workers*

Because, in most spinning mills, young female workers live in hostels located inside the factory premises, these workers can only be interviewed when they are on leave or allowed to leave the premises for a (weekly or monthly) trip to the market. In most cases, interviewers were not able to enter the factory grounds or hostels. The opportunity to interview female hostel workers was, therefore, limited, and explains why female workers are underrepresented in this research.

Male migrant workers often stay in hostels outside the factory grounds where, in principle, they are able to receive visitors. While interviews could take place at the hostel, or in nearby teashops, the presence of interviewers did not always go unnoticed. Spinning mills are often located in small, out-of-the-way places where the coming and goings of strangers are easily spotted. Hostels are often near the factories. During the field research, hostel wardens or factory supervisors sometimes noticed that the workers had 'unknown' visitors and came to check what was going on. This form of social control made the workers and interviewers very uneasy, with interviewers forced to give evasive answers to questions, or even pause the interview and continue at a later moment.

### *Time*

As this research shows, workers in the spinning mills industry in Tamil Nadu have little free time. The working days are long – with overtime a near standard element of a working week – and workers have very few days holiday in a

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year. Many workers, especially women, also have other obligations outside of the mill. If they are married and have children, for example, women workers have double responsibilities. Convincing workers to spend 1 – 1.5 hours being interviewed is not easy.

## Language issues

Migrants from other states do not speak the local language (Tamil). The interview team consisted of Tamil and Hindi speakers. Some interviewers made use of local interpreters.

## Lack of awareness of labour rights

Workers often have limited awareness about their own legal entitlements, and the legal obligations of their employers. This lack of awareness and information, creates problems for workers, and makes field research on these issues more difficult. For example, if a worker has no clue about the purpose or potential role of labour unions or Internal Complaints Committees, it is difficult for her or him to fully answer questions on these topics. And if a worker has never been informed about a mechanism such as the Provident Fund, she or he cannot be expected to provide full and relevant answers.

## Sensitivity around certain questions

Certain topics are more sensitive than others. Workers are, for example, often reluctant to answer questions about their caste and tribal background, their level of education, and/or their age.

Sexual harassment, or issues relating to reproductive health (menstruation, pregnancy), are also not so easily discussed. We ensured we had female interviewers in the team to cover such topics.

The privileged position of the interviewers and researchers may have had an intimidating effect on the workers. The researchers included educated NGO employees and students. We were aware that there would be a huge gap between the interviewers and the respondents in terms of education and societal status, and had discussed this with the interview team during the preparatory phase.

## Job insecurity

Interviewed workers were reluctant to speak freely, and critically, of their experiences in the spinning mills in case they lost their jobs. This reluctance was particularly marked in migrant workers. Migrants do not know who they can trust, and many migrant workers said they were afraid of losing their job; Even though working conditions were bad for them, losing their job would be worse. Migrant workers were, therefore, reluctant to share information about exploitative working arrangements and employment conditions. In these situations, it was important that the interviewers took time to build trust, and clearly explained the objectives of the research and ensured the workers' identities remained confidential. Such circumstances also emphasised the importance of conducting interviews outside of the factory grounds/hostels, wherever possible, to make sure no supervisors, wardens or managers were in close vicinity.

## Lack of supply chain transparency

The lack of supply chain transparency is a methodological obstacle of a very different kind, but still very real. This research focuses on yarn and fabric manufacturers. While some brands and retailers have taken steps in recent years to map, monitor and, in a few cases, disclose which spinning mills are part of their supply chain, the overwhelming majority of brands and retailers have not. As a result, there is little information on where the yarn and fabrics produced by the investigated spinning mills end up. While, we were able to use information provided by a handful of brands, retailers, and improvement initiatives, as well as from the Panjiva database<sup>13</sup>, to establish some links, it was not possible, in many cases, to determine the end users of textiles produced in Tamil Nadu.

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### 3.1. India's cotton, textile, and garment industry

The textile and garment industries are of major importance to the Indian economy. The textile and clothing industry is one of the largest sources of employment in India. From 2018 to 2019, according to the Ministry of Textiles, the textile and clothing industry directly employed over 45 million people<sup>14</sup>, and accounted for 12 per cent of the country's total export revenues<sup>15</sup>.

India is a major producer of cotton, yarn, textiles, and garments. It is the world's third largest exporter of cotton and cotton yarn (see Graph X). Though the growth rate of ready-made garments for export has decreased<sup>16</sup>, in 2019, India was still the world's seventh largest exporter of such goods, and its domestic market also continues to expand.

The major export destinations of Indian produced garments include the US, the UK, the UAE, Germany, Spain, and France (see Graphs 2 and 3). Indian produced yarns and fabrics are mainly exported to Bangladesh and China where they are processed further (see Graph 1). The EU imports most of its clothing from China and Bangladesh so, indirectly, yarn and fabrics produced in India end up in garments sold in European stores. Despite knowing this, however, it is very difficult to trace back the origin of the yarn and fabrics used to produce textile garments.

While limited supply chain transparency makes it difficult to identify where yarn and fabrics produced in Tamil Nadu eventually end up, an increasing number of garment brands and retailers publicly disclose supplier lists. Unfortunately, the vast majority of brands and retailers disclose only first-tier suppliers (leaving producers of yarn and fabrics outside the scope of their disclosure), while other key industry players refrain from disclosing any kind of supply chain information at all.

#### Top 5 export destinations 2019

##### Cotton, cotton yarn & cotton textiles

Bangladesh	\$1,548,714,621
China	\$1,043,236,397
Sri Lanka	\$242,833,352
Vietnam	\$231,526,822
Egypt	\$216,380,057

##### Apparel, not knitted or crocheted

USA	\$2,052,794,052
UAE	\$1,126,080,902
UK	\$759,027,662
Germany	\$559,792,593
France	\$354,633,387

##### Apparel, knitted or crocheted

USA	\$2,298,885,743
UK	\$834,094,478
UAE	\$733,359,666
Spain	\$481,850,736
Germany	\$452,881,076

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## 3.2. The Tamil Nadu textile and garment industry

There are three main garment production hubs in India: National Capital Region (NCR) comprising New Delhi and the surrounding areas, Bangalore district (Karnataka), and Tirupur district (Tamil Nadu).

The Tirupur garment production hub benefits from the presence of spinning mills in nearby districts, where cotton yarns and cotton fabrics are made.

Out of approximately 3,400 spinning mills in India, more than 2,000 - 60 per cent - are in Tamil Nadu. Despite this, the state accounts for only 35 per cent of India's total yarn production. According to the Handlooms, Handicrafts, Textiles & Khadi Department of the Tamil Nadu state government, productivity is low because of the obsolete machinery being used by many spinning mills<sup>17</sup>. Nevertheless, Tamil Nadu is still the second largest contributor to the Indian textiles industry, accounting for 19 per cent of the country's textile output<sup>18</sup>.

Tamil Nadu has the second highest number of power looms installed, for use in the weaving process<sup>19</sup>. The state accounts for 70 per cent of the country's cotton knitting capacity, and is home to Tirupur, the biggest knitting cluster in India, which produces 45 per cent of total knitwear exports. There are more than 6,000 knitting and garmenting units in, and around, Tirupur<sup>20</sup>.

According to a 2019 report by the Tamil Nadu Handlooms, Handicrafts, Textiles & Khadi Department, the Tamil Nadu spinning industry provides employment to 280,000 workers<sup>21</sup>. The majority of these workers are intrastate migrants, coming from different districts within Tamil Nadu. A growing percentage of workers are interstate migrants, coming from other states in India, including Kerala, Karnataka, and Andhra Pradesh. Over the past few years, labour migration from Odisha, Jharkhand, Bihar, Chhattisgarh, and West Bengal has also been on the rise.<sup>22</sup> This report focuses on the human rights and labour rights situation at 29 spinning mills based in Tamil Nadu. Spinning is the process of converting cotton or man-made fibre into yarn, one of the steps necessary to making clothes and textile products out of cotton.

The process begins with cottonseed production. The cotton plants grow and mature and, after being harvested, the fibre is separated from the seed (known as 'ginning'). After ginning, the cotton is prepared for spinning.

Once the cotton has been spun, the yarn is either woven or knitted into fabrics, which are then 'finished'. Finishing includes bleaching, dyeing, and printing. The last stage of the process is the production of garments or other textile items, which includes activities such as cutting, stitching and embroidery, buttoning, labelling, and packing.

The state of Tamil Nadu is home to a wide variety of manufacturers that dedicate themselves to one or more of the processes that form part of the production of garments or other textile items.

There are small, medium, and large spinning mills. There are also stand-alone spinning mills (non-integrated), and horizontally and vertically integrated manufacturers. Vertically integrated firms may provide a combination of various processes in their plants, such as spinning, weaving and/or knitting, fabric finishing, and garmenting. Horizontally integrated firms have multiple production facilities which all focus on one single process, such as spinning. Some companies are both vertically and horizontally integrated. One firm may have several units all operating under different names and, despite common ownership, production facilities may be registered as separate units.

Some companies have dozens of different manufacturing units, and it is not always clear how many units belong to the same company, what the units are called, and where they are located. To make matters worse, facilities with similar names may be part of the same group or company, or may belong to separate companies altogether.

These complexities, and their underlying causes, are addressed in a report by Verité (2010)<sup>23</sup>. The organisation describes the Tamil Nadu industry as follows:

*'There are vast networks of factories and subcontractors, with units ranging in size from individual home-based units to factories with over 1,000 workers. This multitude of manufacturing facilities of all shapes and sizes has developed, in part,*

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*as larger factories cleave themselves to avoid falling within the confines of labour legislation and, in part, as a response to global market pressures for flexible and infinitely expandable and contractible production capacity. A multitude of small, individual units can be highly flexible and responsive to market demand, since each small factory unit relates with the tiers above and below on a strictly contract basis.'*

Hundreds of companies must be sourcing from garment factories in Tamil Nadu, given the size of the Tamil Nadu industry. Table 5 shows, in alphabetical order, 25 large importers of apparel items produced in Tamil Nadu. This selection of buying companies is based on shipment information found on the trade database, Panjiva, regarding the export value and number of shipments of (knitted and crocheted) apparel (HS codes 61 and 62) produced in Tamil Nadu in 2019 and 2020.

**Table 1: Importers of apparel items produced in Tamil Nadu**

	Company	Country where company is headquartered
1	Ann Taylor	US
2	Asda	UK
3	ASOS	UK
4	G-Star Raw	Netherlands
5	GAP	US
6	Guess	US
7	H&M	Sweden
8	J. Crew	US
9	Jockey	US
10	Kidiliz Group	France
11	Marks & Spencer	UK
12	Mast Industries	US
13	NEXT	UK
14	Orchestra	France
15	P&P Loyal	Italy
16	PEPCO	Poland
17	Primark	Ireland
18	Ralph Lauren	US
19	River Island	UK
20	Sainsbury's	UK
21	Takko	Germany
22	Tesco	UK
23	The Children's Place	US
24	Tom Tailor	Germany
25	Walmart	US

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## 3.3. Trade unions

In India, trade unions face a number of restrictions and obstacles both at the stages of formation and registration, as well as on their day-to-day activities. Anti-union prejudice is prevalent, and employers enjoy a dominant position with little, or no, opposition. There is widespread violence against union members, and labour activists and/or striking workers are threatened with criminalisation. NGOs also experience the same issues.

The International Trade Union Confederation's (ITUC) 2020 Global Rights Index describes the disproportionate police violence used against workers calling for the payment of due wages and better working conditions. According to ITUC, thousands of workers have been detained for exercising their right to strike, and the report concludes that the situation in India has deteriorated since its previous annual index. Worker rights are under great pressure, and ITUC now classifies India as one of the ten worst countries in the world for workers<sup>24</sup>.

Furthermore, ITUC foresees that this situation may worsen as India is adopting a range of measures intended to make the labour market more flexible. These measures reduce protection for workers, and undermine unions by replacing long-term employment contracts with fixed-term, flexible, temporary contract labour and other categories of precarious work<sup>25</sup>.

## 3.4. Social exclusion based on caste and tribal background

India is a caste-based country and, because of the caste system, people are divided into social groups. The caste system originated in ancient India and has, over time, developed into a system of social stratification - including assignment of rights - based on birth. This assignment of rights is unequal and hierarchical among the various caste groups; the highest caste group is assigned the most rights, and the lowest caste group is assigned the least, or no, rights.<sup>26</sup> A large part of India's population, Dalits, are considered out-caste and, therefore, placed outside the caste hierarchy. They are the lowest social group and face severe discrimination, including untouchability and segregation.

Despite a legal ban on negative caste-based discrimination, the caste system remains a major cause of the segregation evident in Indian society. A person's caste determines not only their living arrangements, but who they may or may not marry, and their working opportunities (based on the jobs assigned to them).<sup>27</sup> Because Dalits, for example, are considered 'lesser human beings' and impure, they are assigned the dirtiest jobs, such as manual scavenging and disposing of dead animals.<sup>28</sup> Being forced to take on such dirty and hazardous jobs is a form of modern slavery.<sup>29</sup>

According to India's constitution and legislation, the caste groups are divided into: Forward Caste, Other Backward Classes, Scheduled Castes, and Scheduled Tribes. Forward Caste, also referred to as General Class or General Category comprise the non-backward classes who are in a relatively better social and economic position. Other Backward Classes are described as 'socially and educationally backward classes'. Scheduled Castes include as Dalits. The term 'Dalit' literally means 'broken people', and is a self-designated term for so-called 'untouchables' who traditionally occupy the lowest place in Indian society. Scheduled Tribes are tribes or tribal communities (also referred to as Adivasi). According to the 2011 census, there are over 200 million people categorised as Scheduled Castes in India, and over 100 million as Scheduled Tribes.

Additional caste groups are specified at state level. In Tamil Nadu, the category of Other Backward Classes is further broken down into in Backward Classes, Most Backward Classes, and Denotified Communities. Most Backward Classes are communities which were found to be as disadvantaged as the Scheduled Castes but could not be classified as such, because the concept of untouchability does not exist in these groups. Denotified Communities were classified as criminal tribes under British colonial rule and faced severe repression. After independence, the Government of India repealed the Criminal Tribes Act, and these communities were then classified as Denotified Communities.<sup>30</sup> The specification of caste groups under the set categories affects access to social schemes under the reservation system.

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The government-run reservation system facilitates access to education, employment, and political seats for disadvantaged castes and classes. The system is grounded in Articles 15 and 16 of the Indian Constitution, which allows the Government of India to set quotas to ensure any 'socially and educationally backward classes of citizens' are properly represented. Reservations were first arranged in the mid twentieth century, for Scheduled Castes and Scheduled Tribes. In 1992 they were also arranged for Other Backward Classes.<sup>31</sup> Both Scheduled Castes and Scheduled Tribes are eligible for quotas in education and government jobs. Despite this system of affirmative action, however, large-scale violations of human rights continue, especially affecting Scheduled Castes and Scheduled Tribes.<sup>32</sup>

Scheduled Caste and Scheduled Tribes face widespread discrimination, such as: social and economic exclusion; segregation in housing; limited, or no, access to public and private services and employment; being denied access to water, schools, jobs, and land.<sup>33</sup> Because of this, many people from lower castes or tribal communities live in severe poverty, making them vulnerable to exploitation, such as child labour, slavery, and trafficking. In caste-based countries, those subjected to modern slavery are mainly from the lowest castes or tribal communities.<sup>34</sup>

Scheduled Castes and Scheduled Tribes also regularly experience violent crime such as rape, lynching, and murder. The Centre of South Asian Studies, and Tokyo University of Foreign Studies state that, according to the National Crime Records Bureau in India, between 2006 and 2016, there were reports of 422,799 crimes against Scheduled Castes, and 81,332 crimes against Scheduled Tribes.<sup>35</sup> Although laws are in place to counter such caste-based discrimination and criminal activity, these laws are poorly implemented. In September 2020, a 30-year review of the Scheduled Castes and Scheduled Tribes Prevention of Atrocities Act (1989) found that 90 per cent of the cases filed under the Act are acquitted in Tamil Nadu.<sup>36</sup>

The International Dalit Solidarity Network (IDSN) - a network of international human rights groups, development agencies, national Dalit solidarity networks from Europe, and national platforms in caste-affected countries - advocates for Dalit human rights. IDSN reports that Dalit women are particularly vulnerable to violence and discrimination, yet lack access to justice precisely because of their weak socio-economic status. Women and girls from caste-affected communities often face multiple forms of violence, including sexual violence, trafficking, abduction and abuse, as well as forced and bonded labour and slavery. Dalit women are specifically used as debt slaves in brick kilns, and the agriculture and textile industries, and are subjected to caste-based forms of slavery such as manual scavenging and forced prostitution.<sup>37</sup>

## 3.5. Caste discrimination in garment factories and spinning mills in Tamil Nadu

The FWF India Country Report 2019 estimates that, based on interviews with local NGOs, between 70 and 80 per cent of workers in the garment and textile industry in Tamil Nadu are from Scheduled Castes, Scheduled Tribes, and Other Backward Classes.<sup>38</sup> Many of these workers are thought to be interstate migrants hoping for better job opportunities in Tamil Nadu, coming from impoverished north and north-eastern states such as Bihar, Odisha, and Uttar Pradesh, where livelihood options are scarce.<sup>39</sup>

The FWF country study also highlights the role caste plays regarding the living arrangements for migrant workers (based on interviews with local civil society stakeholders and experts in Tamil Nadu). Upper caste workers reserve bathrooms for their use only, for example, and lower caste workers must use the remaining bathrooms. Since most migrant workers belong to lower castes, they spend more time waiting in queues for the restroom.<sup>40</sup>

The FWF states that, with regard to gender and caste: 'Dalit female workers are abused for their caste status by being given more overtime, heavier work, cleaning tasks, being given extra work during night shifts, being denied leave, and being subjected to verbal and physical harassment [...] at the hostels, female Dalit workers are not allowed to choose rooms or complain, and several deaths were reported after cases of sexual abuse in textile mills.'<sup>41</sup> According to a caste discrimination expert of a Tamil Nadu-based civil society organisation, segregation based on caste and class is prevalent in canteens and hostel accommodation. Workers from Scheduled Castes and Scheduled Tribes are sometimes not allowed to drink from the same water tap as workers from higher castes.<sup>42</sup>

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## 4.1. International guidelines for responsible business conduct

Over the past decade, voluntary guidelines for responsible business conduct have been developed, offering guidance to companies with international supply chains, MSIs, certification schemes and RBC initiatives. The 2011 **United Nations Guiding Principles on Business and Human Rights** (UNGPR) is a set of guidelines covering the duty of the state to protect human rights, the responsibility of enterprises to respect human rights, and access to remedy for victims of business-related abuses. In accordance with UNGP 17, companies should assess how their activities and business relationships may cause, or contribute to, (risks of) human rights violations.<sup>43</sup>

The **OECD Guidelines for Multinational Enterprises** (2011) are recommendations to multinational companies that operate in a global context. These guidelines specify that it is the responsibility of businesses to perform due diligence, a process which allows enterprises to identify, prevent, and mitigate potential, and actual, adverse human rights and environmental impacts.<sup>44</sup> The following steps are part of the due diligence process as described in the **OECD Due Diligence Guidance for Responsible Business Conduct** (RBC) :

1. embed responsible business conduct in policies and management systems;
2. identify and assess adverse impacts in operations, supply chains, and business relationships;
3. cease, prevent, or mitigate adverse impacts;
4. track implementation and results;
5. communicate how any identified adverse impacts are being addressed;
6. provide for, or cooperate with, remediation when appropriate.<sup>45</sup>

The **OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector** (2017) focuses on risks to human rights in the garment and footwear sector, and details the due diligence processes to be undertaken by garment and footwear companies.

The OECD guidance on due diligence does not include anything specifically on caste-based discrimination. Caste is identified as a risk factor only in *Module 2. Sexual harassment and sexual and gender-based violence (SGBV) in the workplace: 'Minorities, including ethnic, religious and caste minorities, are often much more vulnerable to harassment and violence due to their 'lower status'. Minorities may also have more difficulty accessing grievance mechanisms. P. 119'*<sup>46</sup>

## 4.2. Fundamental labour standards

International labour standards are legal instruments drawn up by the the ILO's constituents (governments, employers, and workers) that set out the basic principles of workers' rights. The governing body of the ILO has identified eight 'fundamental' conventions<sup>47</sup>:

1. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
2. Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
3. Forced Labour Convention, 1930 (No. 29) (and its 2014 Protocol)
4. Abolition of Forced Labour Convention, 1957 (No. 105)
5. Minimum Age Convention, 1973 (No. 138)
6. Worst Forms of Child Labour Convention, 1999 (No. 182)
7. Equal Remuneration Convention, 1951 (No. 100)
8. Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

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While India has ratified six of these eight Conventions, the two very important conventions on Freedom of Association (No. 87) and Collective Bargaining (No. 98) are yet to be ratified<sup>48</sup>. However, because each of the above conventions is considered 'fundamental', ILO members are expected to respect and promote the rights promoted in all the conventions, regardless of whether or not they have ratified them. The principles enshrined in the fundamental labour conventions are also covered by the ILO Declaration on Fundamental Principles and Rights at Work (1998)<sup>49</sup>.

It is clear from previous cases, and ILO communications, that the ILO regards caste-based discrimination as belonging to the category of 'social origin'. The definition of discrimination, which is defined in article 1.1 of the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) includes: '*any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.*'<sup>50</sup>

**4.3. Forced labour indicators**

This research focuses on the potential risk and actual existence of forced labour in the Tamil Nadu textile industry. To determine whether workers are trapped in forced labour situations, we use the ILO's definition of forced labour and forced labour indicators, developed to identify such situations. These indicators are based upon the internationally accepted definition of forced or compulsory labour specified in the ILO fundamental Forced Labour Convention (ILO Convention 29) as: '*work or service exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.*' The 2014 Protocol also states that: '*forced or compulsory labour violates the human rights and dignity of millions of women and men, girls and boys, contributes to the perpetuation of poverty and stands in the way of the achievement of decent work for all.*'<sup>51</sup>. The 11 ILO indicators of forced labour are listed in Table 2.

**Table 2: ILO forced labour indicators with additional descriptions by Traidcraft**

Indicator	Description by ILO	Additional description by Traidcraft <sup>52</sup>
<p>1. ABUSE OF VULNERABILITY</p> 	<p>'Anyone can be a victim of forced labour. However, people who lack knowledge of the local language or laws, have few livelihood options, belong to a minority religious or ethnic group, have a disability or have other characteristics that set them apart from the majority population are especially vulnerable to abuse and more often found in forced labour.</p> <p>The mere fact of being in a vulnerable position, for example, lacking alternative livelihood options, does not necessarily lead a person into forced labour. It is when an employer takes advantage of a worker's vulnerable position, for example, to impose excessive working hours or to withhold wages, that a forced labour situation may arise. Forced labour is also more likely in cases of multiple dependency on the employer, such as when the worker depends on the employer not only for his or her job but also for housing, food and for work for his or her relatives.'</p>	<p>'When an employer takes advantage of a worker's vulnerable position (for example, imposing excessive working hours or withholding wages).'</p>

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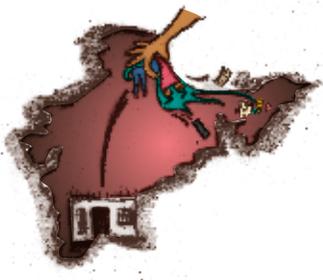
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<p>2. DECEPTION</p> 	<p>'Deception relates to the failure to deliver what has been promised to the worker, either verbally or in writing. Victims of forced labour are often recruited with promises of decent, well-paid jobs. But once they begin working, the promised conditions of work do not materialize, and workers find themselves trapped in abusive conditions without the ability to escape. In these cases, workers have not given free and informed consent. Had they known the reality, they would never have accepted the job offer. Deceptive recruitment practices can include false promises regarding working conditions and wages, but also regarding the type of work, housing and living conditions, acquisition of regular migration status, job location or the identity of the employer. Children may also be recruited through false promises, made to them or their parents, concerning school attendance or the frequency of visits by or to their parents.'</p>	<p>'When the work is not as promised to the worker.'</p>
<p>3. RESTRICTION OF MOVEMENT</p> 	<p>'If workers are not free to enter and exit the work premises, subject to certain restrictions which are considered reasonable, this represents a strong indicator of forced labour. Forced labourers may have their movements controlled inside the workplace, through the use of surveillance cameras or guards, and outside the workplace by agents of their employer who accompany them when they leave the site.'</p>	<p>Where the worker is not able to freely exit and enter the work premises, subject to reasonable restrictions.</p>
<p>4. ISOLATION</p> 	<p>'Victims of forced labour are often isolated in remote locations, denied contact with the outside world. Workers may not know where they are, the worksite may be far from habitation and there may be no means of transportation available. But equally, workers may be isolated even within populated areas, by being kept behind closed doors or having their mobile phones or other means of communication confiscated, to prevent them from having contact with their families and seeking help.'</p>	<p>'Where the worker is denied contact with the outside world.'</p>
<p>5. PHYSICAL AND SEXUAL VIOLENCE</p> 	<p>'Forced labourers, their family members and close associates may be subjected to actual physical or sexual violence. Violence can include forcing workers to take drugs or alcohol so as to have greater control over them. Violence can also be used to force a worker to undertake tasks that were not part of the initial agreement, such as to have sex with the employer or a family member or, less extreme, to undertake obligatory domestic work in addition to their 'normal' tasks. Physical abduction or kidnapping is an extreme form of violence which can be used to take a person captive and then force them to work. As violence is not acceptable as a disciplinary measure under any circumstances, it is a very strong indicator of forced labour.'</p>	<p>'When the worker is subjected to actual physical or sexual violence.'</p>

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<p>6.</p> <p>INTIMIDATION AND THREATS</p> 	<p>'Victims of forced labour may suffer intimidation and threats when they complain about their conditions or wish to quit their jobs. In addition to threats of physical violence, other common threats used against workers include denunciation to the immigration authorities, loss of wages or access to housing or land, sacking of family members, further worsening of working conditions or withdrawal of 'privileges' such as the right to leave the workplace. Constantly insulting and undermining workers also constitutes a form of psychological coercion, designed to increase their sense of vulnerability. The credibility and impact of the threats must be evaluated from the worker's perspective, taking into account his or her individual beliefs, age, cultural background and social and economic status.'</p>	<p>'When the worker experiences intimidation and threats (for example, if they complain about their conditions).'</p>
<p>7.</p> <p>RETENTION OF IDENTITY DOCUMENTS</p> 	<p>'The retention by the employer of identity documents or other valuable personal possessions is an element of forced labour if workers are unable to access these items on demand and if they feel that they cannot leave the job without risking their loss. In many cases, without identity documents, the worker will not be able to obtain other jobs or access essential services, and may be afraid to ask for help from authorities or NGOs.'</p>	<p>'When the worker is not able to access their identity documents, or other valuable personal items, and feels that they are not able to leave the job without risking the loss of them.'</p>
<p>8.</p> <p>WITHHOLDING OF WAGES</p> 	<p>'Workers may be obliged to remain with an abusive employer while waiting for the wages that are owed to them. The fact of irregular or delayed payment of wages does not automatically imply a forced labour situation. But when wages are systematically and deliberately withheld as a means to compel the worker to remain, and deny him or her of the opportunity to change employer, this points to forced labour.'</p>	<p>'When wages are purposefully withheld in order to force the worker to remain, and prevent them from changing employer.'</p>

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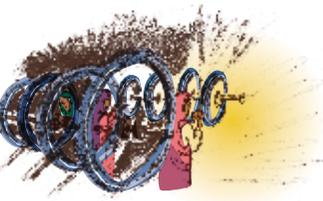
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<p>9. DEBT BONDAGE</p> 	<p>'Forced labourers are often working in an attempt to pay off an incurred or sometimes even inherited debt. The debt can arise from wage advances or loans to cover recruitment or transport costs or from daily living or emergency expenses, such as medical costs. Debts can be compounded as a result of manipulation of accounts, especially when workers are illiterate. Debt bondage may also arise when children are recruited in exchange for a loan given to their parents or relatives. Employers or recruiters make it difficult for workers to escape from the debt, by undervaluing the work performed or inflating interest rates or charges for food and housing.</p> <p>Debt bondage - or bonded labour - reflects an imbalance in power between the worker-debtor and the employer-creditor. It has the effect of binding the worker to the employer for an unspecified period of time, anything from a single season, to years, or even successive generations. It bears no resemblance to taking a 'normal' loan from a bank or other independent lender, for repayment on mutually agreed and acceptable terms.'</p>	<p>'When a worker is working in order to pay off a debt.'</p>
<p>10. ABUSIVE WORKING AND LIVING CONDITIONS</p> 	<p>'Forced labour victims are likely to endure living and working conditions that workers would never freely accept. Work may be performed under conditions that are degrading (humiliating or dirty) or hazardous (difficult or dangerous without adequate protective gear), and in severe breach of labour law. Forced labourers may also be subjected to substandard living conditions, made to live in overcrowded and unhealthy conditions without any privacy.</p> <p>Extremely bad working and living conditions alone do not prove the existence of forced labour; unfortunately, people may sometimes 'voluntarily' accept bad conditions because of the lack of any alternative jobs. However, abusive conditions should represent an 'alert' to the possible existence of coercion that is preventing the exploited workers from leaving the job.'</p>	<p>'Work performed under conditions that are degrading or hazardous and in serious breach of labour law.'</p>
<p>11. EXCESSIVE OVERTIME</p> 	<p>'Forced labourers may be obliged to work excessive hours or days beyond the limits prescribed by national law or collective agreement. They can be denied breaks and days off, having to take over the shifts and working hours of colleagues who are absent, or by being on call 24 hours a day, 7 days a week.</p> <p>The determination of whether or not overtime constitutes a forced labour offence can be quite complex. As a rule of thumb, if employees have to work more overtime than is allowed under national law, under some form of threat (e.g. of dismissal) or in order to earn at least the minimum wage, this amounts to forced labour.'</p>	<p>'When an employee has to work more overtime than is allowed under national law, because of some form of threat (for example, dismissal, or in order to earn the minimum wage).'</p>

Source: ILO indicators of forced labour

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In some cases, according to the ILO, the presence of a single indicator may signify a situation of forced labour but, most of the time, it is the combination of several indicators that points to a situation of forced labour.

## 4.4. Legislative developments and existing supply chain legislation

In various countries, predominantly in Europe, steps have been taken towards mandatory human rights due diligence (mHRDD). At the European level, an important moment took place in March 2021, when the European Parliament voted in favour of a proposal for an EU Directive on due diligence.<sup>53</sup> Significant developments at a national level include the German Government's announcement that it will introduce a due diligence law. Germany is set to 'introduce fines for companies procuring parts or materials abroad from suppliers who fail to meet minimum human rights and environmental standards'<sup>54</sup>. In the Netherlands, in March 2021, four political parties submitted a bill on human rights and environmental due diligence to the Dutch Parliament<sup>55</sup>.

Some countries already impose legal obligations on businesses to ensure respect for human rights throughout their operations and supply chains.

The French introduced a 'Duty of Vigilance' law in 2017<sup>56</sup> which established:

*'a legally binding obligation for parent companies to identify and prevent adverse human rights and environmental impacts resulting from their own activities, from activities of companies they control, and from activities of their subcontractors and suppliers, with whom they have an established commercial relationship'<sup>57</sup>.*

This law applies to French companies with more than 5,000 employees based in France, and companies operating worldwide and based in France with more than 10,000 employees.

Other countries have legislation that addresses particular human rights risks, and often places reporting requirements on companies:

- The Dutch **Child Labour Due Diligence Law**<sup>58</sup> requires all companies selling products on the Dutch market to determine if child labour occurs in their supply chains, and develop a plan to combat it. Companies covered by this law must submit a statement to regulatory authorities declaring they have carried out due diligence related to child labour, throughout all their supply chains<sup>59</sup>.
- The UK's **Modern Slavery Act (2015)**<sup>60</sup> requires enterprises either domiciled, or conducting business, in the UK, and with an annual turnover of at least £36 m, to publish an annual statement, disclosing whether they have undertaken due diligence measures to prevent slavery or human trafficking in their supply chains.
- The Australian **Modern Slavery Act**, modelled after its namesake UK law, applies to companies headquartered, or operating in, Australia, and with a turnover of over AU\$ 100m. Companies covered by this law are required to report on any due diligence undertaken in relation to modern slavery<sup>61</sup>.
- The **California Transparency in Supply Chains Act**<sup>62</sup> requires large manufacturers and retailers who do business in California, to disclose their efforts to eradicate slavery and human trafficking in their supply chains.

## 4.5. Labour laws in India and Tamil Nadu

### Child labour

India has ratified ILO Convention no. 138 on Minimum Age, and ILO Convention no. 182 on the Worst Forms of Child Labour. In 2017 it amended its own laws; the Child Labour (Prohibition and Regulation) Act, prohibits employment or work by children younger than 14 years in any occupation or process, before and after school hours, except in family enterprises. The employment of adolescents (between 14 and 18 years of age) in hazardous occupations (section 3) and processes, during night shifts (7 pm. to 8 am.) is also prohibited under this Act. Additionally, adolescents can work no more than a maximum of six hours a day, and cannot be made to work overtime. The Act

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has been criticised for allowing children to work in agriculture and home work, both of which can be categorised as 'family enterprises'.<sup>63</sup>

## Forced and bonded labour

Article 23 of the Indian Constitution prohibits human trafficking and all forms of forced labour<sup>64</sup>. The issue of bonded labour is addressed in the Bonded Labour System (Abolition) Act (1976) where it is defined as a system of 'forced or partly forced labour... under which a debtor accepts an advance' of some kind, for a pledge of labour. This arrangement compels an individual to work until the debt has been paid<sup>65</sup>.

In a 2019 report, Traidcraft highlighted the verdict from a 1982 Public Interest Litigation case between the People's Union for Democratic Rights and the Union of India and Others. In this case, the Supreme Court of India identified forced labour as labour paid less than the government's stipulated minimum wage. The judgement argued that nobody, if they were aware of their legal entitlement, would voluntarily offer their labour for less than the minimum wage<sup>66</sup>.

## Minimum wage and working hours

Minimum wages in India are set at national, state, sector, and skill/occupational level. In Tamil Nadu, however, there is no minimum wage set for the textile sector, only a set minimum wage for apprentices in textile mills. Apprentices earn a basic daily minimum wage of INR 110.00 (€ 1.27), with a dearness allowance of INR 212.70 (€ 2.45), bringing their total daily minimum wage to INR 322.70 (€ 3.72)<sup>67</sup>.

The Factories Act (1948) stipulates a working week should be no more than 48 working hours, and the total number of working hours per week - including overtime - should not exceed 60 hours. Overtime hours should be paid at double rate<sup>68</sup>.

## Interstate migrant workers

The Inter-State Migrant Workmen (Regulation and Conditions of Service) Act, 1979, regulates the employment of interstate migrant workers recruited through contractors or middlemen, and applies to companies employing five or more such workers. The Act protects interstate migrant workers, and their conditions of employment, including working hours and fixed wages.<sup>69</sup>

## Health and safety

In accordance with The Factories Act, 1948 (Act No. 63 of 1948) and the Factories (Amendment) Act, 1987 (Act No. 20 of 1987), employers must ensure the health, safety, and welfare of their workers. This Act states that workers are entitled to work in safe buildings and with safe machinery, have access to toilets and drinking water, and be allowed a weekly day off and paid leave. Section 41G of the Act prescribes the formation of a Safety Committee in industrial establishments where hazardous processes take place, or where hazardous substances are handled, and a Managing Committee for factory canteens that employ more than 250 workers.<sup>70</sup>

## Employee State Insurance

The Employee's State Insurance (ESI) Act (1948)<sup>71</sup> provides all employees (irrespective of number of hours worked, or the temporary or permanent nature of their contract) with benefits in case of sickness, injury, pregnancy, etc. Monthly salary deductions for the ESI scheme are made at 1.75 per cent of the gross monthly wage, with the employer contributing 4.75 per cent of the gross monthly wage. The ESI Act also covers contract workers<sup>72</sup>.

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## Employees' Provident Fund

Employees' Provident Funds and Miscellaneous Provisions Act and Employee Provident Fund Scheme (1952) provide for a state retirement benefit, or pension fund, for all salaried employees who work at a workplace employing more than 20 people. Employers' and employees' monthly contributions stand at 12 per cent of the basic monthly wage.<sup>73</sup>

## Sexual harassment at the workplace

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, seeks to protect women from sexual harassment at their place of work.<sup>74</sup> The Act provides for the establishment of Internal Complaints Committees (ICC) in workplaces with more than 10 employees, where victims of sexual harassment can file complaints<sup>75</sup>.

## Hostel accommodation in Tamil Nadu

The Tamil Nadu Hostels and Homes for Women and Children (Regulation) Act was adopted in 2014.

This law regulates hostel accommodation, including the hygiene and safety of the accommodation. It mandates all hostels or lodging houses that accommodate women or children, to register and obtain a licence from the District Collector (at the district in Tamil Nadu where the hostel is located).<sup>76</sup>

## Freedom of association and collective bargaining

In India, 'freedom of association' is regarded as a fundamental right of all citizens under Article 19 (1) of the Constitution of India: 'All Citizens shall have the right ... to form associations, unions or cooperative societies'.<sup>77</sup> Despite this, legal and practical restrictions are placed on freedom of association. Employers in most states are not legally obliged to recognise trade unions, which limits collective bargaining.<sup>78</sup> As a result, there is a very low level of unionisation in India. According to FWF, less than 5 per cent of India garment workers are unionised.<sup>79</sup>

Another ambiguity relating to collective bargaining is the prescription of grievance redressal committees by The Industrial Disputes Act (1947), which creates a legal duplication regarding worker representation. Every industrial establishment with 100 or more workers is required to set up a Works Committee. This Committee must comprise representatives from both the employer and the workers' side. The workers' representatives must be chosen from among the workforce, and in consultation with their trade union (if one exists). The objective of the Works Committees is: 'to promote measures for securing and preserving good relations between the employer and workers; and to comment upon matters in the common interest of the employer and employees, and to endeavour to reach a compromise in any material difference of opinion on such matters'<sup>80</sup>.

## Grievance redressal committees for industrial establishments:<sup>81</sup>

Table 3 gives an overview of different grievance redressal committees prescribed for industrial establishments, under different Indian labour laws.

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**Table 3: Factory committees required by law in India**

Committee	Applicable factory size/ no. of workers	Number of committee members	Representatives	Meeting frequency of committee	Tenure	Legal reference
Works Committee	100 or more workers	Max. 20	Employee Employer	Every 3 months	2 years	Industrial Disputes (central) Rules 1957, sections 38-57
Grievance Redressal Committee	20-99 workers (not required if Works Committee is required)	Max. 6	Employee Employer	Not specified	Not specified	Industrial Disputes Act, 2010 Amendment, section 9C
Internal Complaints Committee	10 or more workers	Min. 4	Employee**	Not specified	3 years	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013
Safety & Health Committee	250 workers (general) 50 workers (if covered under Section 87 or Section 2(cb) of Factories Act)	Not specified	Employee Employer	Every 3 months	2 years (3 years in Tamil Nadu)	Section 67B of the Punjab Factory Rules 1952 (applicable in Haryana as well), section 62B of Uttar Pradesh Factory Rules 1950, Section 88C of Karnataka Factory Rules 1969, 61M of the Tamil Nadu Factories Rules 1950.
Canteen Committee	More than 250 workers	4-10	Employee Employer	Not specified	2 years	Factories Act, 1948, section 46 (2D) of the and Model Rules under the Factories Act, 1948, section 93.

**\*\* Only in the Internal Complaints Committee is the employer/factory management not represented. As gender-based violence and (sexual) harassment is often related to power relations in factories, only workers are represented in this committee.**

**Source: Worker-management dialogue in Indian legislation - a guidance document, FWF 2018.<sup>82</sup>**

## 4.6. Caste-based discrimination legislation in India

In India, it is illegal to negatively discriminate based on caste. The Indian Constitution (1948) prohibits discrimination based on grounds of religion, race, caste, sex, or place of birth (article 15); abolishes 'untouchability' (article 17); promotes educational and economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections of society (article 46); and includes provisions related to reservation and protection of seats for members of Scheduled Castes, Scheduled Tribes and Other Backward Castes in local administrative structures and in public employment (article 16, 335, 338, 340, 341 & 342).<sup>83</sup>

Because existing laws (such as the Protection of Civil Rights Act (1955) and the Indian Penal Code) proved inadequate in preventing and eliminating atrocities (extreme and violent crimes) against members of Scheduled Castes and Scheduled Tribes by people from non-Scheduled Castes and non-Scheduled Tribes, the Scheduled Castes/Scheduled Tribes (Prevention of Atrocities - PoA) Act (1989) & Rules (1995) were enacted. The provisions under the PoA Act & Rules include: a criminal liability for specifically defined atrocities and penalisations, relief and compensations for victims of atrocities, and the establishment of special authorities to implement and monitor the Act.<sup>84</sup>

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Other Acts, as well as the Indian Labour Laws mentioned in Section 4.7, relevant for Scheduled Castes and Scheduled Tribes (the caste groups which suffer most from human rights violations) include: the Prohibition of Employment as Manual Scavengers and Their Rehabilitation Act (2013) (prohibits manual scavenging and manual cleaning of sewers and septic tanks, and the construction of insanitary latrines, without protective equipment); The Immoral Traffic (Prevention) Act, 1956 (ITPA) (the main legislation preventing trafficking for commercial exploitation).

Different tools and guidance documents have been developed to support businesses in assessing the risk of caste-based discrimination taking place in supply chains, and providing access to remedy when harm has been done; these include the IDSN Dalit Discrimination Check<sup>85</sup>, the ETI Base Code guidance: caste in global supply chains<sup>86</sup>, and the Ambedkar Principles – Principles and Guidelines to address Caste Discrimination in the Private Sector by IDSN<sup>87</sup>.

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# 5. Evidence of existence and risk of forced labour in Tamil Nadu spinning mills

*'We are working non-stop, without knowing whether it is day or night.'*

## 5.1. Characteristics of the 29 investigated mills

To begin with, it should be noted that it is not easy to find information about some businesses. Sometimes, only an address could be found for the mill being investigated, and much of the time there was no public information available about the corporate structure and/or workforce of a business.

Two of the investigated mills (14 and 17) are listed on the Bombay Stock Exchange, the others are privately incorporated.

Some of the investigated mills are part of vertically integrated companies. Many vertically integrated companies are involved in all stages of the garment process, from spinning to knitting and weaving, to dyeing and garmenting. One of the investigated companies (mill 16) is involved in every stage, from growing cotton to garmenting, while other mills dedicate themselves to spinning and weaving. Mills 7, 9, 16, 19, and 28 are vertically integrated.

While some of the investigated facilities only engage in spinning, they encompass multiple units. These mills are known as horizontally integrated facilities and are mill 8 (four spinning units), mill 14 (five spinning units), mill 17 (two spinning units) and mill 23 (four spinning units).

Mill 27 engages in ginning, spinning, weaving, knitting, dyeing, and garmenting. The company that owns the mill also operates four spinning units and is, therefore, both vertically and horizontally integrated.

Other investigated facilities appear to be stand-alone spinning units.

Mills 3, 7, 8, 14, 21, 24, and 27 are members of the BCI.

Mills 2, 3, 6, and 14 are GOTS-certified.

### Sustainability schemes: BCI and GOTS

Seven of the investigated mills are member of the Better Cotton Initiative (BCI). Four of the investigated units hold a Global Organic Textile Standard (GOTS) certification.

### Better Cotton Initiative (BCI)

The BCI describes itself as the 'largest cotton sustainability programme in the world'. Its aim is to make cotton production 'better for the people who produce it, better for the environment it grows in and better for the sector's future'<sup>68</sup>.

While the standards for BCI-certified cotton apply only to the beginning of the supply chain (cotton farming), BCI has members involved in other parts of the supply chain. At the time of writing, BCI has 2,100 members worldwide, comprised of 221 brands and retailer members, 1,811 suppliers and manufacturers, 19 producer organisations, 32 civil society organisations and 17 associate members. Members are not certified. Instead, BCI Members must 'agree' to the Membership Code of Practice: 'Members should act with integrity and should not partake in behaviour that poses a credibility risk to BCI. Examples of credibility risks would include cases of child labour, tax fraud, poor treatment of

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employees or other controversial activities'. BCI does not audit its members but the BCI Secretariat regularly monitors and gathers information based on Google alerts and notifications from stakeholders and other members. If a member is found to be in breach of the Code of Practice, the matter is brought to the attention of the BCI Secretariat, and the member is given a particular period of time to explain, and another period of time to resolve the matter. If the matter is not resolved within three months of receiving the formal warning, the member may be suspended.

#### Global Organic Textile Standard

Global Organic Textile Standard (GOTS) is a textile processing standard for organic fibres, and includes ecological and social criteria. GOTS is a 'standard for the entire post-harvest processing (including spinning, knitting, weaving, dyeing and manufacturing) of apparel and home textiles made with certified organic fibre'. In 2020, there were 10,388 GOTS-certified facilities around the world<sup>89</sup>.

On-site inspection and certification of processors, manufacturers, and traders, is undertaken by independent third-party GOTS-accredited certification bodies and forms the basis of the GOTS monitoring system. Certified facilities undergo an annual on-site inspection<sup>90</sup>. GOTS requires social auditors have a SA8000 certificate, or undergo specific GOTS-SAI training. On-site inspection includes interviews with workers and verifying records related to their wages, age, overtime, etc. Currently, off-site worker interviews are not within the scope of GOTS's work.<sup>91</sup> GOTS has a complaints procedure in place to handle and resolve complaints regarding: unauthorised, false or misleading use of the GOTS logo, or other claims related to GOTS (certification); failures or omissions in the course of the GOTS certification procedure; any other abuses of the GOTS quality assurance or the licensing and labelling system; and violations against the ownership and other rights of/in the GOTS. GOTS explains that complaints based on any of the criteria listed, can be made by any company, organisation or individual<sup>92</sup>. In an October 2020 press release, GOTS stated that it had uncovered 'systematic fraud abusing the Indian government certification system of organic cotton production'<sup>93</sup>.

## 5.2. The respondents

For this research, we interviewed 725 randomly selected workers (25 workers per investigated mill). The ability to contact workers played a key role in the selection of respondents, and therefore the selection of spinning mills. It proved difficult to contact spinning mill workers living in hostels on the factory premises, and there are limited opportunities for workers, especially female workers, to leave the factory premises. Female workers can only leave as part of organised outings to the market, which usually take place once a month. The research team could only engage in conversations with workers who enjoyed a certain level of freedom, and were able to move around during their outings. In other cases, workers were strictly monitored during their time outside the factory premises. The respondents interviewed for this research enjoyed more freedom of movement than many workers in other spinning mills. While we do not claim these 725 respondents are a statistically representative sample, we do consider the sample enough to provide an insight into the sector.

### Male/female

We interviewed 725 workers: 441 men and 284 women. While women make up the majority of the labour force in the Indian textile and garment industry, more male workers were interviewed. There are two reasons for this disproportionality: the research focuses on migrant workers, both from within the state of Tamil Nadu and from other states, and in this category women are less clearly overrepresented; the proportion of male workers is most striking in the group of respondents hailing from outside Tamil Nadu, where 247 out of the 253 respondents were male. Another reason for the overrepresentation of men in the research sample is that most female textile workers live in hostels on factory premises, and have very little freedom of movement. It is therefore more difficult to access these workers.

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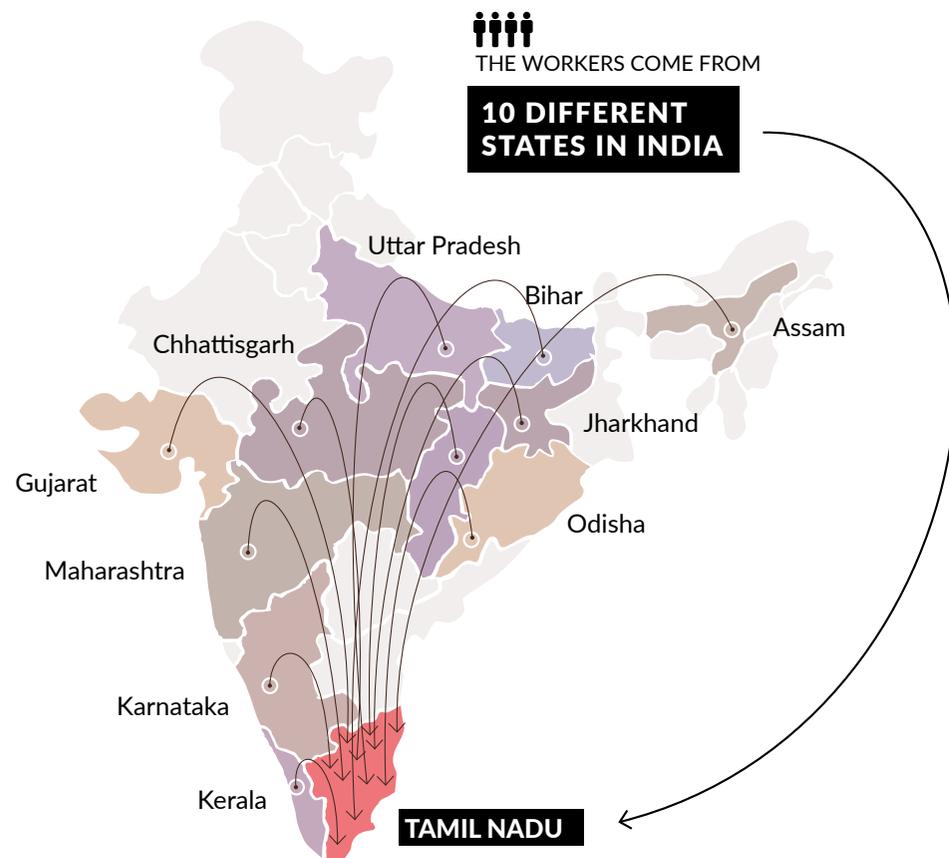
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## Poverty

Without exception, the interviewed workers gave their poor background as the reason for taking a job in a spinning mill. This is as true for workers from Tamil Nadu as it is for workers from other states. The migrant workers who were interviewed - even the young people - often mentioned debt as their main motivation for wanting a mill job in Tamil Nadu. In their home areas, there are very few job opportunities, with some workers from farming families saying that the dry climate has now made farming impossible. Workers at mill 28 said that agents came to their home village, just after a cyclone had ruined crops, to recruit labourers to work in Tamil Nadu. Many workers are from landless low-caste families.

## Labour migration

The 725 workers interviewed, came from 11 different states. While most of the workers (472) came from Tamil Nadu, the figures also illustrate how yarn producers in Tamil Nadu are turning to migrant workers for their labour force. The states of Bihar, Odisha, and Uttar Pradesh are becoming important sources of migrant workers.



The 472 respondents from Tamil Nadu came from 28 different districts, another sign that the spinning mill industry in Tamil Nadu depends on migrant labourers.

The distances between the home districts of the workers and the location of the mills they work in varied greatly but, in most cases, the distances (even within Tamil Nadu) were considerable, especially given the lack of affordable public transport for low-paid workers. As a result, most of the workers from within Tamil Nadu, resided in mill hostels.

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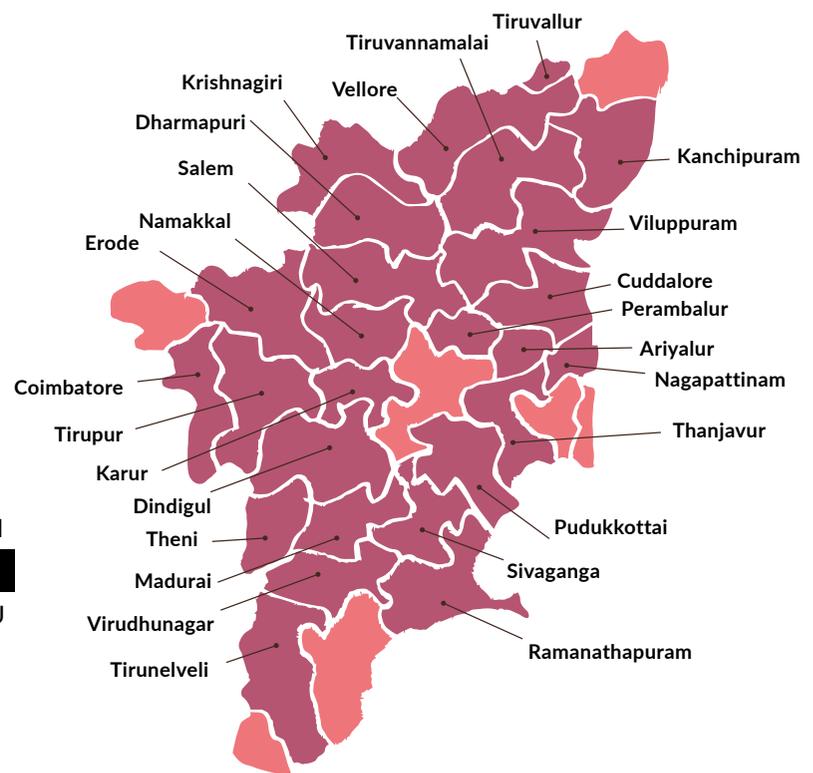
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THE RESPONDENTS COME FROM  
**28 DIFFERENT DISTRICTS**  
IN TAMIL NADU



## Recruitment

Almost 60 per cent of the men and women interviewed were recruited by agents. Nearly 40 per cent heard about the job and employment terms from family, friends, or acquaintances.

13 workers at mill 26, and five workers at mill 27 (all women), found their jobs through Regional Skills Training Centres. In some cases, this was years ago, in the early 2000s.

## Language

A considerable number of the workers - 297 out of the 725 - did not speak Tamil, the language spoken in the state of Tamil Nadu where the investigated spinning mills are located. The mother tongues of these workers reflected their migrant background: besides Hindi (spoken in the northern part of India) (262 workers), workers spoke Assamese (an Indo-Aryan language spoken in the northeast state of Assam), Bhojpuri and Bihari (Indo-Aryan languages both spoken in Bihar), Kanada (Dravidian language spoken in the south western region of India), Malayalam (Dravidian language spoken in the state of Kerala), Mythili (Indo-Aryan language spoken in Bihar and Jharkand), Odishi (Indo-Aryan language spoken in the state of Odisha), and Telugu (Dravidian language spoken in Andhra Pradesh).

The interview team conducted interviews in Tamil and Hindi. Some of the interviewers used local interpreters.

## Age

Respondents were selected regardless of their age, so it is significant that 10 of the workers in this random sample were only 16 or 17 years old at the time of the interviews, a sign that adolescent labour persist in this sector. Besides this specific group of underage workers, almost two-thirds of the respondents were between 18 and 30 years old. 204 workers were between 30 and 50 years, and just six workers were 50 years or older.

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When the respondents were asked how old they were when they *started* working at their current workplace, more than-one tenth (76 workers - 55 female and 21 male) said they were under 18 years old. Of this group, 64 workers said they were between 15 and 17 years old when they started working, and 12 (in four different mills, all female) said they were younger than 15. In the other 25 investigated mills, we found no other workers who had begun working so young (at least not within our sample).

## Caste/tribal background

All 725 workers were asked 'What is your caste and/or tribal background?' but less than two-thirds (460) answered the question, while a considerable group (265) did not. In 43 cases, the non-responses were not accompanied by any comment, while in the remaining 222 cases, the respondents said they did not see the importance of answering the question. The high number of those who did not answer may indicate sensitivities about caste.

The Government of India distinguishes a number of overarching caste and tribal categories: Forward Caste (FC) (or General Class), Other Backward Class (OBC), Scheduled Castes (SC) and Scheduled Tribes (ST).

Workers also self-identified as BC (Backward Caste) and MBC (Most Backward Caste). Respondents also referred to a number of sub-categories, such as Baavri, Seethri, Johi. With the help of lists<sup>94</sup> drawn up by the Government of India that specify, state by state, which caste communities belong to which of the four overarching categories, and following advice from two Indian experts on caste, we analysed the respondents' answers and categorised them under the following main categories. A small number of answers (11) could not be categorised. None of the interviewed workers fit in the Forward Caste/General Class category; about one third of the respondents fit in the category of Scheduled Castes (235); another 184 fit in the category Other Backward Class (which also includes Backward Castes (BC) and Most Backward Caste (MBC)).

Table 4: Caste and tribal background of interviewed workers

Caste and Tribal category	Number of workers
FC (Forward Caste/General Class)	0
OBC (Other Backward Class)	184
SC (Scheduled Caste)	235
ST (Scheduled Tribe)	30
No answer	43
Did not see the importance of answering	222
Caste category unknown for categorisation	11
<b>TOTAL</b>	<b>725</b>

## Level of education

25 workers described themselves as uneducated or illiterate. Four-fifths of the workers said they had gone through primary school (80), middle school (322), secondary school or 10<sup>th</sup> grade (199). 12<sup>th</sup> standard is required to pursue a higher education; only 52 of the interviewed workers had finished 12<sup>th</sup> standard (higher secondary school). Seven workers said they had taken higher education, but did not specify further. Not all workers gave information about their level of schooling; 40 workers did not answer the question. This may indicate sensitivity on the issue of education.

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## Hostel workers

The vast majority of the interviewed workers (625) lived in hostels. Residing in a hostel is often a requirement imposed by management, and not necessarily the worker's choice. We distinguished that there were hostels located at the factory premises (481 respondents), and hostels outside the factory premises (144 respondents). 100 workers had arranged other accommodation and did not live in hostels.

## Employment duration

All respondents were asked how long they had been working at their current workplace. 16 workers did not answer the question; 66 workers said they had been working there for up to a year. 247 workers said they had been at their workplace for between one and three years, and 165 said they had been working there between three and six years. About one-third (231) said they had been working more than six years at their current workplace.

## 5.3 Risks and evidence of forced labour - using the 11 ILO indicators

We have summarised and grouped our research findings using the 11 forced labour indicators as defined by the ILO<sup>95</sup> as headings:

1. Abuse of vulnerability
2. Deception
3. Restriction of movement
4. Isolation
5. Physical and sexual violence
6. Intimidation and threats
7. Retention of identity documents
8. Withholding of wages
9. Debt bondage
10. Abusive working and living conditions
11. Excessive overtime

### 1. Abuse of vulnerability

#### **Abuse of vulnerability**

*'Anyone can be a victim of forced labour. However, people who lack knowledge of the local language or laws, have few livelihood options, belong to a minority religious or ethnic group, have a disability or have other characteristics that set them apart from the majority population are especially vulnerable to abuse and more often found in forced labour.'*

*The mere fact of being in a vulnerable position, for example, lacking alternative livelihood options, does not necessarily lead a person into forced labour. It is when an employer takes advantage of a worker's vulnerable position, for example, to impose excessive working hours or to withhold wages, that a forced labour situation may arise. Forced labour is also more likely in cases of multiple dependency on the employer, such as when the worker depends on the employer not only for his or her job but also for housing, food and for work for his or her relatives.'*  
**ILO forced labour indicators<sup>96</sup>**

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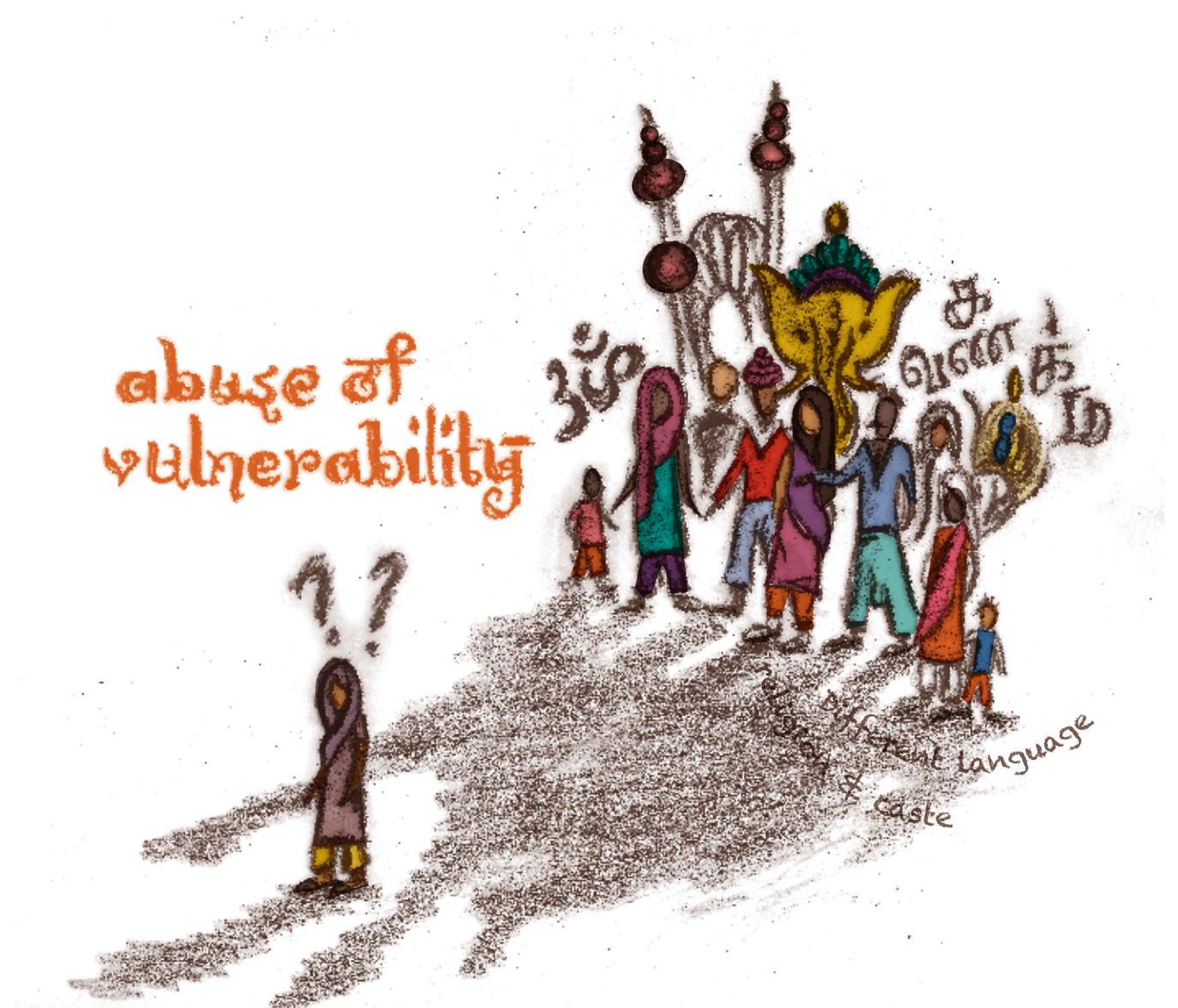
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Interviewing the 725 respondents for this research gave us plenty of insight into the background of textile workers in Tamil Nadu, and provided ample evidence that these are vulnerable workers, whose vulnerability is purposely abused during, both during recruitment and employment. Here, we detail the factors/sub-indicators (including some defined by the ILO) used to identify the vulnerable among the current labour force in the Tamil Nadu textile industry. As well as lack of knowledge of the local language or laws, and limited livelihood options, we found these workers to have other characteristics that set them apart (from the majority population). Some of the characteristics identified (such as age, belonging to a tribal and/or caste group) overlap and reinforce one another.

## Workers have limited livelihood options

Tamil Nadu textile and garment producers look for workers from beyond the immediate vicinity of the spinning mill or garment factory. Recruitment takes place in various districts across Tamil Nadu and, increasingly, in other states. This research identifies the states of Bihar, Odisha, and Uttar Pradesh as important bases for migrant workers. Other sources also point to the north and northeast of India as sources of migrant labour<sup>97</sup>. Assam and Jharkhand were also mentioned by some interviewed workers.

Many spinning mills have outsourced worker recruitment to agents. These agents, or recruiters, travel to areas characterised by poverty and a lack of job opportunities, often as a result of natural disasters (such as drought and floods) or conflict (including armed conflicts). Without exception, the workers inter-



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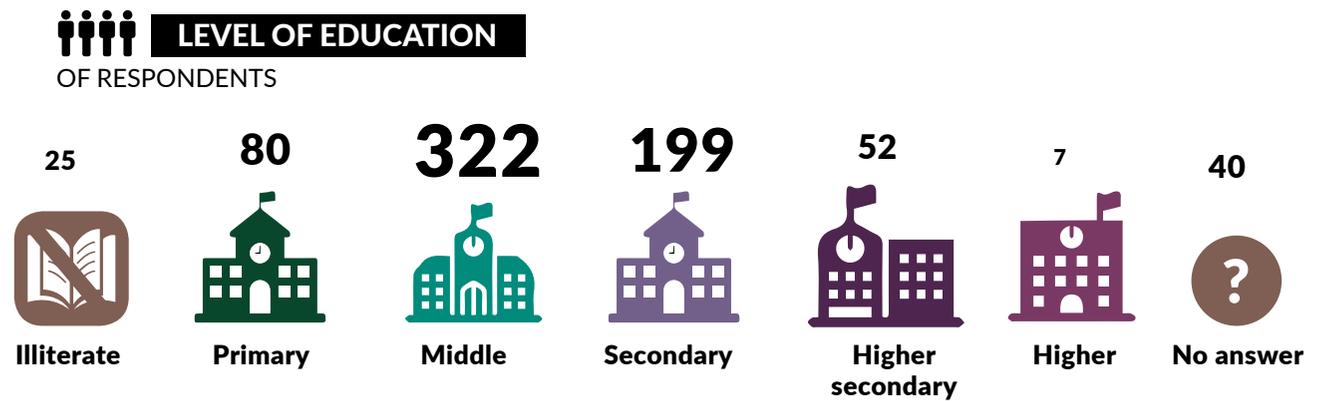
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viewed cited their poor backgrounds – the lack of job opportunities at home - as the main reason for working in the spinning mill. Some workers from farming families said that the dry climate had now made farming impossible, and others said<sup>98</sup> their villages were visited by recruiting agents after a cyclone ruined their crops.

## Low educational background

Poor education was also cited as a reason for working in the mill, and compounded the limited options available to those workers from areas where there were few job opportunities. 25 of the 725 workers described themselves as 'uneducated' or 'illiterate'. Four-fifths of workers said they had gone through primary school, middle school or secondary school (10<sup>th</sup> grade). 12<sup>th</sup> standard is required to pursue any form of higher education. 52 of the interviewed workers said they had finished 12<sup>th</sup> standard (higher secondary school), but only seven said they had achieved 'higher education' (without specifying further).



## Indebtedness

Many workers in the Tamil Nadu textile industry come from very poor and indebted families. The wages they earn from working in the spinning mills are used to pay off loans and debts. In some cases, the worker's family used advances on future wages – given by, or via, the recruiting agents - to settle urgent debts. Once employed, workers had to compensate for these advances (for more information see paragraph on debt bondage).

*'Only my salary keeps my family alive. I know this is very difficult, to work here but there is no other choice.'*

Female worker (age 22), mill 17.

*'Due to drought in my home place, there are no job opportunities there. I am here to support my family. With the money I earn, my family can buy food. I am also trying to pay off my debt.'*

Male worker (age 32), mill 19.

*'I come from a poor family. Because of my family situation, I am here. I have two sisters who are not yet married. I have to work for their marriage. After my sisters' marriage, I will think about my own life.'*

Male worker (age 32), mill 19.

*'We have a loan to pay off so me and my husband are working here. My daughter is living with her grandparents. Once in three months, just one or two days, I will go and see her.'*

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Female worker (age 30), mill 20.

*'I have three children, it is painful for me to live away from my children. My husband is a drunkard and everyday he used to beat me. To protect me from this situation I stay in the hostel. There are so many difficulties in the mill. Sometimes I do not know how to carry on. I am bearing everything because of my children.'*

Female worker (age 26), mill 21.

## Caste and tribal background

460 of the 725 workers answered the question 'What is your caste and/or tribal background?' with specific information, usually referring to the main caste and tribal categories defined by the Government of India. A number of workers used other category names such as Most Backward Caste and Backward Caste, or mentioned specific sub-categories, such as Baavri, Seethri, and Johi.

None of the interviewed workers belong to the so-called Forward Castes (FC). The majority of the respondents who answered the specific question on caste fell into the categories of Scheduled Castes and Other Backward Classes.

265 respondents did not answer this question, possibly because of sensitivities around the issue of caste and tribal background.

The caste and tribal background of a worker is unfortunately reflected in their working conditions and position in the mill. Based on our sample, we found that workers with a Scheduled Tribes background worked longer hours than workers from other backgrounds. We were also told that Schedule Caste female workers are made to do the dirtier chores in the hostels, and it was hinted that the job of cleaning the shared toilets in the hostels 'automatically' falls to the women from lower backgrounds.

Female workers from Scheduled Tribes and Scheduled Castes, and/or with a migration background are also particularly at risk of becoming the target of (sexual) harassment. This topic arose in a focus group discussion.

*'We are not at ease in the factory premises. When the machine is on, the male co-workers and the supervisor will make all sorts of comments about us. Even at the hostel this happens. We are at fear all the time. We always try to be in the crowd to keep ourselves safe. Whether the management, the supervisors, or our co-male workers, they do not treat us fairly. Particularly the Scheduled Castes, Scheduled Tribes and migrants [workers] are the ones harassed the highest.'*

Focus Group Discussion (FGD), spinning mill 16.

## Age

Previous studies by SOMO and Arisa have presented evidence of the use of child labour in the spinning mills in Tamil Nadu<sup>99</sup>. This current research shows that the recruitment and employment of children remains a pervasive issue in the Tamil Nadu textile industry. Child labour is forbidden by Indian law which applies to children upto 14 years. Adolescents (between 14 and 17 years) are allowed to work, but under very strict conditions; they cannot work more than six hours a day and are not allowed to work night shifts. The minimum age at which adolescents are allowed to undertake hazardous work is 18 years.

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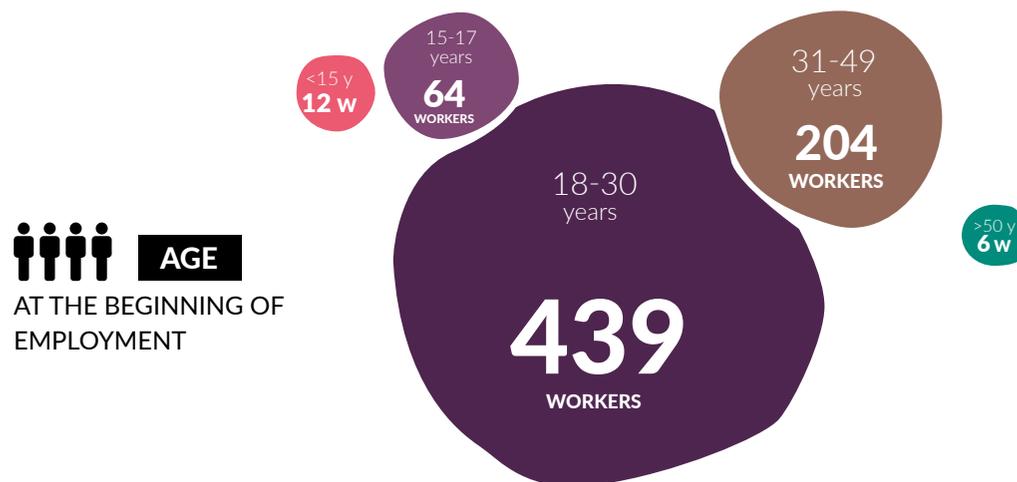
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The ILO fundamental convention concerning the minimum age for the admission to employment (Convention 138) stipulates that the minimum age shall not be less than 15 years. According to the convention on the worst forms of child labour (Convention 182), hazardous work is forbidden for those under the age of 18. In line with these conventions, SOMO and Arisa have used the age categories: 15-18 years and younger than 15 years to categorise the findings related to young workers in the investigated spinning mills.

The working environment in spinning mills is very often strenuous, hazardous, unhealthy, and dangerous, and the conditions prescribed by Indian law are not met. All the adolescents interviewed said they worked more than six hours a day and all, except one, said they worked night shifts<sup>100</sup>. In other words, the adolescent workers are treated as adult workers. Children under the age of 18 are particularly vulnerable to other forms of exploitation - such as false promises, cheating, harassment, confinement, strict supervision - that come with working in sub-standard spinning mills and living in mill-run hostels.



#### Younger than 18 at the time of the interview

We identified 10 respondents younger than 18 at the time of the interviews: one girl of 16 years, and nine girls of 17 years. These 10 adolescents worked at five different mills (mills: 11, 12, 13, 15, and 16).

#### Younger than 18 at the start of employment at the mill

All the workers were asked how old they were when they had begun working at their current workplace. 76 workers (55 female and 21 male) said they had started working before they were 18 years old.

15 of the investigated spinning mills employed workers who were below the age of 18 when they began working (mills: 2, 3, 9, 11, 12, 13, 14, 15, 16, 17, 19, 20, 22, 23 and 27). Three of the workers employed at mills 23 and 27, are now in their thirties and forties, so did not recently start working at these mills (the mill's current customers cannot be held responsible for this past child labour).

#### Younger than 15 at the start of employment at the mill

Among the 76 workers who began working in the spinning mill before they were 18 years old, 12 were younger than 15 at the time of joining the workforce (11 girls started working aged 14, one girl started working aged 13). The mills concerned are mills 11, 12, 13, and 16. These very young workers are all girls, and said they began work because of the need to pay off debt.

#### Younger than 18 in the mill

The 725 respondents were asked the age of the youngest member of the current workforce at their mill. More than one-third (254) said there were workers below the age of 18 in their mill, incriminating 21 mills (mills: 1, 2, 3, 6, 8, 9, 11, 12, 13, 15, 16, 17, 19, 20, 21, 22, 23, 24, 25, 28, and 29).

#### Children of 14 in the mill

Of the 21 spinning mills reported to have members of the workforce younger than 18, five (mills: 11, 12, 13, 16 and 17) had workers who also reported<sup>101</sup> that the youngest workers there were 14 years old. (Note, this is at the time of the interviews.)

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Some factors make it hard to know the exact details and scale of the problem. The research team found, for example, that young workers were reluctant to share their true age, and the researchers believed that not all the interviewed workers gave their correct age. This is something that Arisa and SOMO have seen before, in other field research projects<sup>102</sup>.

Furthermore, it proved particularly difficult to speak to young workers, as some did not want to participate in the interviews. The interviewers gained the impression that these workers felt that sharing information about their age, along with details of their employment, might get them into trouble.

*'My father is a drinker, he will not do any work and always fights with my mother. In this situation I have to work for my family and take care of my brother's education. When I see my mother, I see the injuries on her body.'*

Girl worker, mill 11 (age 14 at the start of her employment, now 17).

*'I dropped out of school in class 8 due to my father's loan problem. To support my parents, me and my sister are working in this mill.'*

Female worker, mill 11, (age 15 at the start of her employment, now 20).

*'My family is very poor. I have five younger sisters. One sister is working with me here. The rest are staying with my parents. Only with our income the whole family is having food.'*

Girl worker, mill 12 (age 15 at the start of her employment, now 17). Her younger sister is also working at this spinning mill.

## Workers lack of knowledge of local language

Workers from far-off places and other states are particularly vulnerable to abuse in the Tamil Nadu spinning mills because they are a long way from home and don't speak the local language.

A considerable number of workers in our sample - 297 out of 725 - did not speak Tamil. A large group of workers spoke Hindi, not necessarily the language spoken by their employers. The owners of the spinning mills are mainly from Tamil Nadu and speak Tamil. Some workers explicitly described the problems they have communicating with their employers, including the supervisors who give the instructions on the work floor.

**Table 5: Languages spoken by interviewed workers**

Language spoken	Number of respondents
Tamil	428
Hindi	262
Bhojpuri	11
Malayalam	6
Bihari	6
Assamese	16
Telugu	2
Kanada	1
Odishi	1
Mythili	1
More than one language spoken	9

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## No employment contracts

The vast majority of workers - 568 out of 725 - had not signed a contract or appointment letter, and only seven of the workers received payslips<sup>103</sup>. The workers who did receive payslips worked at mill 23 and mill 14.

This problem regarding lack of documents is not limited to one or even a few mills, it is a problem across the board. The worst mills are 1, 2, 3, 4, 6, 7, 8, 9, 12, 14, 18, 19, 20, 21, 22, 28, 29 and 30. In these 18 mills, none of the interviewed workers had signed a contract or appointment letter. Mills 13, 24, 25, 26 and 27 were better; in these mills, the majority of the interviewed workers had signed a contract.

Without contracts or appointment letters, workers have no information about their terms of employment. Workers lack any written confirmation about what was promised to them during recruitment. Moreover, they have no written proof of employment and, without payslips, have no knowledge of any deductions from their wages, their social security eligibility, salary structure, etc.

## Lack of knowledge on social security

Because so many workers lack written information about their employment terms, the majority of those interviewed did not have a clue whether or not they were enrolled in social security schemes.

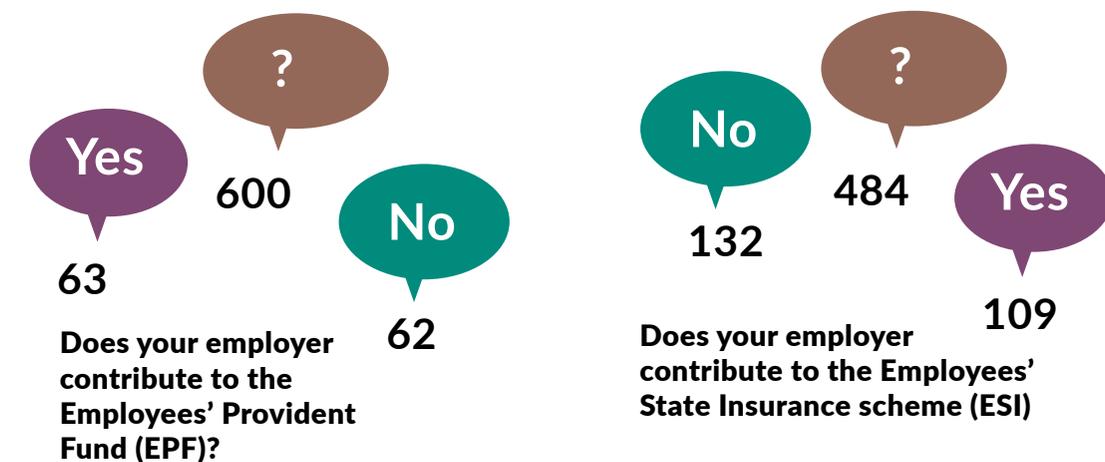
We questioned workers about the two most important social security schemes for workers in the organised sector in India: Employees' Provident Fund (EPF) and Employees' State Insurance scheme (ESI). Employers are obliged by law to contribute to these funds.

600 workers did not know whether their employer contributed to EPF, and 559 did not have, or were not aware of having, an EPF number. Only 63 workers were able to confirm that their employer contributed to the EPF.

484 workers did not know whether their employer contributed to the ESI scheme, and 610 workers did not have, or were not aware of having, an ESI number.

**Positive example:** At mill 24, all the interviewed workers said contributions were made to EPF and ESI, and all had EPF and ESI cards/numbers.

### WHAT RESPONDENTS SAID ABOUT SOCIAL SECURITY



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## 2. Deception

### Deception

'Deception relates to the failure to deliver what has been promised to the worker, either verbally or in writing. Victims of forced labour are often recruited with promises of decent, well-paid jobs. But once they begin working, the promised conditions of work do not materialize, and workers find themselves trapped in abusive conditions without the ability to escape. In these cases, workers have not given free and informed consent. Had they known the reality, they would never have accepted the job offer.'

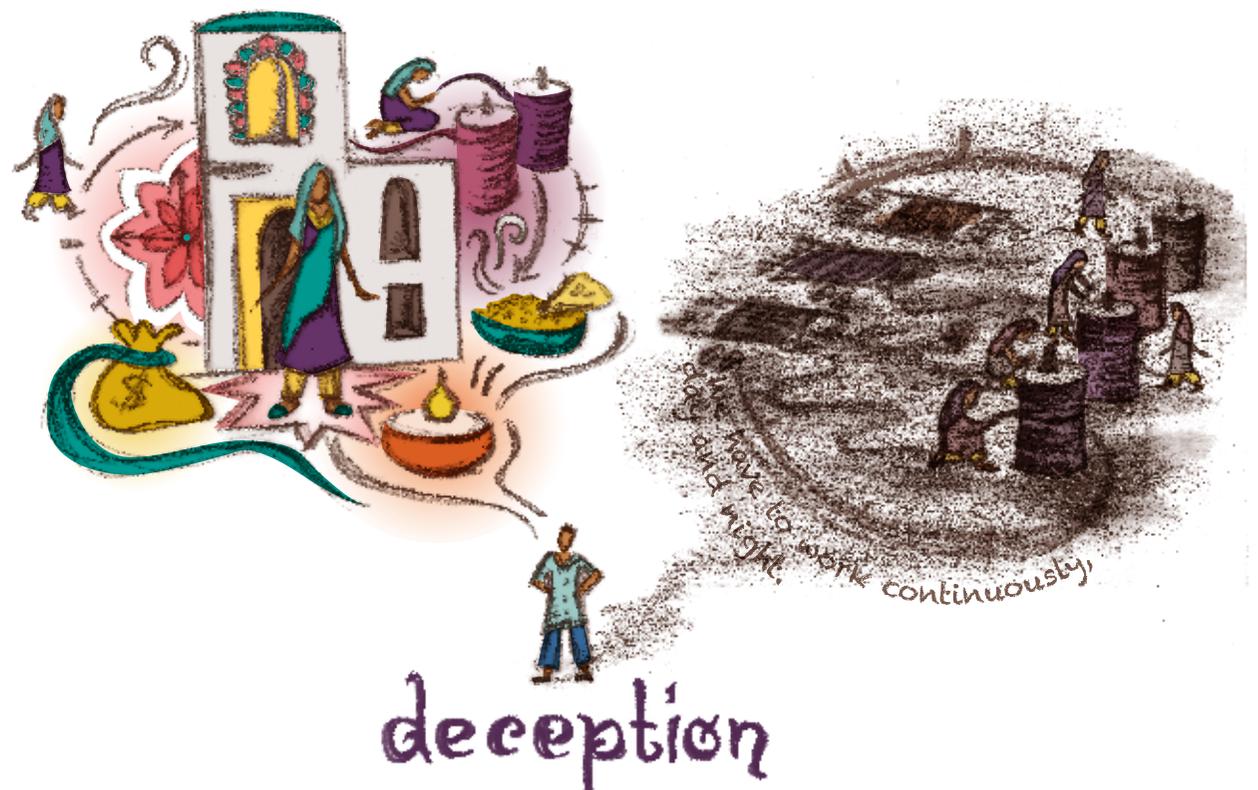
Deceptive recruitment practices can include false promises regarding working conditions and wages, but also regarding the type of work, housing and living conditions, acquisition of regular migration status, job location or the identity of the employer. Children may also be recruited through false promises, made to them or their parents, concerning school attendance or the frequency of visits by or to their parents.'

### ILO forced labour indicators<sup>104</sup>

### Recruitment

Spinning mill owners use a network of agents to recruit workers. These agents are paid a certain amount for every worker they bring in.

As well as using agents, there are informal ways for spinning mill owners to find labourers. They may, for example, ask their current workers to find new recruits - perhaps friends, relatives or acquaintances in their home village - in return for some form of preferential treatment. Tempted by this promise, workers may agree to taking on the role of broker. Members of a worker's family might also be used by employers. Fathers whose daughters are working at the mill, for example, might be asked to help recruit other villagers in return for a small amount of money. It is difficult to say for sure how widespread these practices are<sup>105</sup>.



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## WHO GAVE YOU INFORMATION

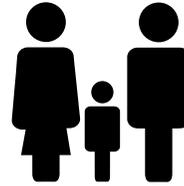
### ABOUT THIS JOB?

426



Agent / broker

271



Family, friends, acquaintances

Regional Skill Training Centre	18
Advertisement	5
Company	7
No answer	1

*Some workers indicated to have received information from multiple sources*

#### Conversation with a recruiter

The research team spoke with a male recruiter. Over the past 15 years, he has recruited more than 100 workers for one particular spinning mill. When he started, he received INR 500 (€ 5.76) for every worker he recruited. Now, he receives INR 3,000 (€ 34.54) per recruited worker. He receives this payment in two instalments: the first part is paid at the start of the worker's employment and the remainder is paid when the recruited worker has completed three months of employment. For the recruiter, these payments are on top of the income he earns from his regular job. The income from recruiting workers is not sufficient to cover his needs.

This recruiter only recruits girls. He never speaks directly with the girls, but instead discusses the job offer with their parents. At first, he recruited workers from his own home village but then he began looking for workers in other villages. The recruiter explained that he targets families facing economic hardship and in need of extra income, as he has more chance of successfully recruiting new workers from such families.

Nearly two-thirds of the interviewed workers (426) found their job in the spinning mill through an agent or recruiter. More than one-third (271) found the job through family, friends, or acquaintances. A small group of 18 female workers found the work through a Regional Skills Training Centre. Five workers had responded to an advertisement, and seven workers had got information about the job opportunity from the spinning mill itself. A combination of factors is also possible.

Around half of the interviewed workers said the information they had been given about the working and living conditions had turned out not to be true. Some spoke in strong terms about the lies they had been told.

*'Now that I am here, we have to work more but the wage we get is less. We have to work continuously, day and night. Leaving home has led me to feel very frustrated.'*

Female worker (age 34), mill 21.

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*'My parents passed away. I have three sisters. While joining here they promised me to give INR 60,000 ( € 690.75 ) per year and that food and accommodation would be free. But they did not give like that. They give only INR 40,000 ( € 460.50 ) after three years. Now my daily wage is INR 300 ( € 3.45 ). But they deduct for food and accommodation from that too.'*

Female worker (13 at the start of her employment, now 18), mill 12.

*'We are from a poor family, so we all are working here in this mill. My children are not going to school because I am getting very low salary. They promised me INR 9,000 ( € 103.61 ) per month but after all the deductions only INR 3,000( € 34.54 ) is left.'*

Female worker (age 40), from Bihar, mill 12.

*'The management lied to us through the agent and made us work here. We have to do more work and we get less salary.'*

Male worker (age 24), mill 3.

*'Since we do not know any other job, for us this is the best job. We were promised free food and accommodation. The agent showed us pictures of the place which looked good. We were told that we would live and work in a safe place and that there would be no heat. But the situation is very different. Most information the agent gave us was incorrect. We signed up four years ago but still we have not received an appointment letter. We were assured by the agent that we would earn INR 9,000 ( € 103.61 ) per month but most of us are receiving less. Also we have to pay some fee to the agent.'*

FGD, mill 16.

When the recruitment promises are compared to the reality of the worker's lives, the discrepancies are glaring, especially with regard to working hours and wages. In some cases, the respondents were very aware of the differences between the promises and the reality but, in other cases, respondents did not seem to realise that they were earning less than they were promised.

Below is a list of the main discrepancies between what was promised and what was delivered.

## FALSE PROMISES



working hours



wage



annual leave

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## Working hours

Almost all the workers said that when they were recruited, they were told they would be working eight hours a day but that in reality, their shifts are between 10 and 12 hours long. Some workers even occasionally work double shifts (16 hours), and sometimes (though rarely) they have to work round the clock (read more about working hours in paragraph 5.3.11). This discrepancy between promised and real working hours was found in all but five spinning mills.

In two mills (mills 29 and 30), most of the workers had known beforehand that they would be working 12 hours a day. In two mills (mills 26 and 27), workers actually worked eight hours a day.

## Wages

In a considerable number of spinning mills, monthly wages turned out to be lower than what was promised. In one mill (mill 20), none of the interviewed workers had received what they had been told they would be earning. Instead of INR 10,000 (€ 115.13), they earned between INR 8,000 - 9,000 (€ 92.10 - 103.61).

At mill 5, workers were promised wages between INR 9,000 - 10,000 (€ 103.61 - 115.13) but only nine actually received that amount. The remaining 16 workers who were interviewed, received considerably less, with 14 earning INR 7,500 (€ 113.44) or less.

At mill 11, only three workers received the promised wage; the remaining workers earned considerably less than what they had expected. Promised wages had ranged between INR 9,000 - 10,000 (€ 103.61 - 115.13), but actual wages were INR 5,500 - 9,000 (€ 63.32 - 103.61), INR 1,000 - 3,500 (€ 11.51 - 40.29) less than promised.

Likewise, at mill 12, only three workers received the salary they had been promised. Six workers received INR 8,700 (€ 100.16) instead of the INR 9,000 (€ 103.61) they were made to believe they would earn. The other 16 workers interviewed at this mill received wages much lower than promised (ranging between INR 5,000 - 8,000 (€ 57.56 - 92.10) as opposed to the INR 9,000 (€ 103.61) promised).

## Wage deductions

One of the reasons why the actual wages are lower than those promised, is because part of the wage is withheld by the employer. Of the 725 workers interviewed, 493 said that money had been deducted from their salary. 81 workers did not know whether or not deductions had been made. It was difficult to get a full picture of why deductions are made and how much is deducted. 116 workers said they knew money was deducted from their salary but did not know why; all they knew was the amount of their net wage. Because they have not signed contracts and/or do not receive payslips, workers lack basic information about benefits, deductions, bonuses, etc. Workers said that money had been deducted for food ('canteen') or accommodation.

Sometimes during recruitment, workers had been told that food and accommodation would be free, only to find that, in reality, they often had to pay for it. This came up in all four focus group discussions.

*'We were promised three free meals a day and free accommodation. We were also told that we could continue our study if we wanted to; that the work is under a safe roof; that there would be no heat, and more. But the reality is different after reaching here. Most of the information was incorrect.'*

*'They are giving us tea and a bun, but we have to pay for it. They deduct money for food and accommodation from our salary. Only the balance is paid to us.'*

FGD, mill 4.

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Participants in the focus group discussions spoke of money being deducted from wages to pay for food, accommodation, cleaning charges, electricity, leave, etc. but they had no idea how much was being deducted for each cost. Other deductions are taken as an 'end-of-term' or 'end-of-year' lump sum. 105 workers, working for six different spinning mills, said that money was deducted from their salary for a so-called 'end-of-term lump sum'. These workers did not receive any written confirmation of this arrangement, and had no contract or monthly payslips. The workers had the impression that the sum taken was going towards a handsome amount which would be paid out to them at the end of their employment but, with no documentation, they were not in a strong position to claim any such sum, were it to exist. These 'end-of-term' deductions were reported by workers of mills 15, 16, 17, 20, 24 and 27.

## Annual leave

During recruitment, workers are made promises about annual leave. Leave is important for workers, many of who come from far-off places and want to know that they will be able to visit their families. Many workers are forced to leave their children behind in their home villages and being separated from them, and their families, is a cause of sadness. Consequently, they desperately want to make use of the rare occasions available to them, to see their families.

In some spinning mills, however, workers are denied permission to take the annual leave they are entitled to or, if they do take leave, it comes with a penalty (such as the loss of the job entirely, delayed payment of wages, being sent away temporarily, loss of working hours). In these situations, many workers are forced to take unpaid leave.

*'For the sake of my family I am forced to do this work. I do not know any other work. Here we are working as slaves. I have been losing my life here. I have to bear all the torture. They will not allow us to go home.'*

Female worker (age 23), mill 16.

*'To go home or to take rest we have to take the permission from the supervisor, often he does not give permission easily. If we ask continuously, they will ask us to leave the job, or will ask us to stand outside the work premises.'*

FGD, mill 16.

In all but two spinning mills (mills 2 and 26), workers were told that they would be entitled to a specific number of days of annual leave. In reality, however, in many cases they were not allowed to take all those days. At mill 12, for example, workers were promised 35 days of holiday a year, but none of the workers ever got to take that much leave: five workers got 12 days leave, seven workers got 15 days leave, six workers got 16 days leave, three workers got 18 days, and three workers got 20 days<sup>106</sup>.

Likewise, at mill 13, there is a big gap between the promised amount of annual leave and what workers take in practice. Workers are entitled to 30 leave days a year. 20 workers, however, reported that they only have 18 days leave, and another five workers had to make do with 12 days a year.

Moreover, annual leave is often unpaid.

**Positive examples.** All the workers at mill 26 said that their employer kept his promises regarding working hours, wages, and annual leave. This was confirmed by a closer analysis of the working conditions at the mill.

#### **Worrying practices.**

At spinning mills 12, 13 and 20, workers reported that wages, working hours, and the amount of annual leave they receive, are very different to what was promised during recruitment.

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## 3. Restriction of movement



### Restriction of movement

*'If workers are not free to enter and exit the work premises, subject to certain restrictions which are considered reasonable, this represents a strong indicator of forced labour. Forced labourers may have their movements controlled inside the workplace, through the use of surveillance cameras or guards, and outside the workplace by agents of their employer who accompany them when they leave the site.'*

***ILO forced labour indicators<sup>107</sup>***

The vast majority of workers – 625 out of the 725 – lived in hostels. In most cases (481), these hostels were located on the mills' premises. Workers who reside in such hostels on factory grounds are often severely limited in their freedom of movement.

**Table 6: Current domicile**

Where do you currently live?	Respondents
Hostel at mill premises	481
Hostel outside mill premises	144
Other	100
Total	725

Hostels, or dormitories for female workers, are usually located within the mills' premises. There are often separate dormitories for Tamil workers, and for migrant workers from other states. Hostels for male workers are sometimes located outside of the mills' premises, meaning male hostel workers enjoy more freedom of movement than their female co-workers.

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A worker does not usually have a free choice as to whether he or she stays in a mill-run hostel. Some workers said they would rather stay elsewhere but cannot afford another place. Respondents also said that the only housing available in the vicinity of the mill is mill-run hostels. Spinning mills are often located in remote places, far from urban centres or residential areas. Public transport between these places is often far from optimal, so commuting is not an option. Other workers said they stayed in mill hostels because management had ordered them to; workers from 15 of the 29 investigated spinning mills said they stayed in a hostel because management explicitly required it of them (mills: 1, 3, 4, 5, 11, 12, 13, 14, 16, 21, 22, 27, 28, 29, and 30).

During focus group discussions with workers from four mills (mills 4, 11, 16 and 22), workers were asked whether, when, and how often, they leave the mills' premises, and about their contacts with the outside world. Workers said they were not free to leave the mill's premises on their own. Their only opportunity to pass through the compounds' gates was for (monthly) trips to the market and even then, such trips could only be made in the presence of a hostel warden.

Respondents also said they had very few opportunities to speak with their families. Only some of the workers had mobile phones. There is a payable landline phone in the hostel which workers can use, but only in the presence of the hostel warden, or supervisor.

Workers commented that hostel wardens monitor their every movement, and that they feel very uncomfortable being watched all the time. The wardens are described as very strict. When they are not working, the workers must stay in their dormitory. In some mills, there are restrictions in place that prevent workers from freely mixing with one another.

*'Frankly saying I do not like to work here, there is no freedom here to go for shopping or to go home. There is no proper food. We cannot share our feelings to anyone. They are not treating us as human beings.'*

Female worker (age 21), mill 17.

*'I come from a poor family, but here we are also suffering. We have no freedom.'*

Male worker (age 21), from Odisha, mill 2.

*'When I joined here, there were so many rules and regulations. Even for using the bathroom, they will only give five minutes. Now, there is a little liberation but still we are not allowed to go outside of the mill premises.'*

Female worker (age 47), mill 13.

*'The workers are often not allowed to gather together. Work always - we have to do. Nobody can go out, and no outsiders can enter the mill.'*

FGD, mill 4.

*'Since I do not know other work I joined here. Physically and psychologically I am suffering a lot. The work is heavy and they are making us to do more work and they are giving us very low salary. There is not enough food. I feel like living in the jail. I do not know when I am getting relief from this.'*

Female worker (age 20), mill 16.

Those workers who do not reside on mill grounds, experience more freedom. One female worker, working at mill 24, explained that, because she was staying in a private hostel outside the mill's compound, she could visit her family on her weekly day off, but that this would not be possible if she were living in a mill-run hostel.

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## 4. Isolation

### Isolation

*'Victims of forced labour are often isolated in remote locations, denied contact with the outside world.'*

*Workers may not know where they are, the worksite may be far from habitation and there may be no means of transportation available. But equally, workers may be isolated even within populated areas, by being kept behind closed doors or having their mobile phones or other means of communication confiscated, to prevent them from having contact with their families and seeking help.'*

### **ILO forced labour indicators<sup>108</sup>**

Most of the workers in the Tamil Nadu spinning mills live in a state of quite strict social isolation. They come from faraway places, such as the outlying districts of Tamil Nadu, or are from other states in India. Interstate and intrastate migrant workers often live in mill-run hostels where interaction with the outside world, even with family or friends, is limited. Workers who live on the factory premises are not allowed to leave, and outsiders are not permitted entry.

Hostels have phones, but workers can only use the phone in the presence of the hostel warden or supervisor, which clearly hinders personal or intimate conversations. Some workers have mobile phones and can use these to contact their families.



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Workers also have to cope with obvious language barriers. Tamil is spoken in Tamil Nadu, but many interstate workers do not speak Tamil. Migrants from the northern states speak Hindi (the most important language in the northern part of India) but many people in Tamil Nadu the migrant workers might come into contact with – such as employers, supervisors, co-workers, hostel wardens, market sellers, etc. - do not speak Hindi. With so many workers coming from so many different places and with so many different mother tongues, there is no common language to connect workers. Each spinning mill is, in effect, a small Tower of Babel. The Tamil-speaking workers share dormitories, but other workers are placed in mixed-language dormitories. This segregation, along with the language barriers, prevents solidarity developing among the workers.

The isolation of hostel workers is exacerbated by the location of the spinning mills, which are often in remote places, far away from urban or residential areas, and with few facilities nearby.

We found that many workers were also not aware of the existence of organisations that could offer support or advice, such as trade unions or labour rights organisations, which only increased their sense of isolation.

In practice, there are hardly any trade unions present in the spinning mills we looked at. Most of these mills also did not have a Works Committee (WC) or an Internal Complaints Committee (ICC), despite the legal obligations for employers to have such committees in place. Alternatively, if such committees did exist, workers were not aware of them (for more information on this topic see paragraph 5.3.10).

Some respondents said that workers had been explicitly told by management not to speak with outsiders about the conditions in the mill and hostel. Moreover, in three of the four mills where focus group discussions were held, respondents said that when government officials visited (possibly hostel inspectors), workers were instructed by supervisors on how to answer questions.

Workers also worked very long days, with little time left for leisure or personal development. And, in the rare moments that workers did have to themselves, they found there was not much to do. This is especially true for workers who live on the mills' compounds. Some respondents said that if they wanted to watch television in the hostel, they had to pay. They cannot afford to pay, so they don't watch.

This all adds up to a situation that leaves workers lonely and unsupported in their hardships.

*'After joining this mill, I am totally depressed due to heavy work. My body gets weaker day by day. The hardship of the mill is not to be told outside.'*  
Male worker (age 23), mill 17.

*'We definitely want to complain and seriously think about it, but due to fear we do not.'*  
FGD, mill 11.

*'I am not happy, I am feeling trapped. This makes me feel angry. I feel like running away from this place but I can not leave due to my family's situation.'*  
Female worker (age 24), mill 15.

*'Most of my life I am spending with the machines. There is absolutely no outside exposure. I am working here to take care of my family. Other than taking care of my family I feel no happiness.'*  
Male worker (age 32), mill 20.

*'Here there is no safety. The management told us not to share outside about what is happening here.'*  
Male worker (age 31), from Bihar, mill 13.

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## 5. Physical and sexual violence

### Physical and sexual violence

'Forced labourers, their family members and close associates may be subjected to actual physical or sexual violence. Violence can include forcing workers to take drugs or alcohol so as to have greater control over them. Violence can also be used to force a worker to undertake tasks that were not part of the initial agreement, such as to have sex with the employer or a family member or, less extreme, to undertake obligatory domestic work in addition to their 'normal' tasks. Physical abduction or kidnapping is an extreme form of violence which can be used to take a person captive and then force them to work. As violence is not acceptable as a disciplinary measure under any circumstances, it is a very strong indicator of forced labour.'

**ILO forced labour indicators<sup>109</sup>**

Although it is a sensitive topic, female workers did bring up the issue of sexual and physical abuse, during both the individual interviews and the focus group discussions. They provided anecdotal evidence of abuses that align with behaviours categorised by the ILO as physical and sexual abuse.

Women workers at a number of mills reported physical and sexual abuse. Mill 16 specifically stood out as an extreme, negative example. The majority of the interviewed female workers who worked at mill 16 used words such as 'slavery' and 'torture' to describe the general working environment.



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*'Here, we are working like slaves. Here, I am losing my life and must bear all kinds of torture.'*

Female worker (age 23)

A focus group discussion which included eight female workers from mill 16, reaffirmed their implicit comments about physical abuse. Women reported feeling uneasy inside the mill's premises. They said that, under the cover of loud machine noises, their male co-workers and supervisors directed sexualised comments at them. Women workers also gave examples of how management, mill personnel and co-workers, approached them - pulling hands, inappropriate touching, pinching, expressing inappropriate feelings of love – all without the women's consent. This abusive atmosphere extended to the hostels, where women workers also reported feeling ill at ease. Because of this tension and atmosphere, women workers worked and moved around in groups, trying to stay safe by surrounding themselves by female colleagues.

The focus group discussions on these topics, conducted with workers of mills 11 and 22, exposed similar patterns of sexual harassment and physical abuse.

*'We do not feel at ease. There is a threatening atmosphere. There are several disturbances; sexual harassment is one of them. We do not feel safe when we are alone in the workplace or in the hostel or when we are using the toilet. We are not safe.'*

FGD, mill 22.

*'There is no safety here. At night, when we are sleeping, anyone can come in.'*

Female worker, mill 11.

Similar comments were made by workers at several other investigated mills:

*'There is no safety here like at home. During the night I am afraid. Being here is a struggle.'*

Female worker (age 22), mill 17.

*'I am frightened here. My co-workers are being scolded often and sometime beaten up also. Even I have been scolded and was getting beaten. If I want go off from here, due to family situation I am forced to be here. My father will scold me if leave the work.'*

Female worker (age 23), mill 13.

At the mill 4 male-only focus group discussion, workers said they had not experienced any form of sexual or physical violence.

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## 6. Intimidation and threats

### **Intimidation and threats**

'Victims of forced labour may suffer intimidation and threats when they complain about their conditions or wish to quit their jobs. In addition to threats of physical violence, other common threats used against workers include denunciation to the immigration authorities, loss of wages or access to housing or land, sacking of family members, further worsening of working conditions or withdrawal of 'privileges' such as the right to leave the workplace. Constantly insulting and undermining workers also constitutes a form of psychological coercion, designed to increase their sense of vulnerability.'

The credibility and impact of the threats must be evaluated from the worker's perspective, taking into account his or her individual beliefs, age, cultural background and social and economic status.'

**ILO Forced Labour Indicators<sup>110</sup>**



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Both in individual interviews, and during the focus group discussions, workers reported experiencing all kinds of intimidation and threats from managers and supervisors. These threats and warnings do not necessarily always materialise in concrete actions, but the workers described them as unsettling. The threats and intimidation create an atmosphere in which workers do not feel at ease or comfortable. Instead, they are literally afraid to speak their mind, ask questions, disagree with decisions made for them, let alone protest. This system of intimidation is most effective when it comes to making workers work overtime. From respondents' detailed answers it became clear that workers have internalised the threats and believe that they will be carried out. Workers believe they have no choice but to shut up and walk the line.

Scolding is very common in the spinning mills. It seems to happen non-stop. Most of the interviewed workers described being scolded and shouted at in all kinds of situations.

Common threats made to workers include financial penalties. More than one-third of the interviewed workers (270) believed that if they left their job, they would suffer a financial penalty, though whether this threat could be carried out is unclear. Workers are also unsure about the threat, but they are frightened. This fear was mentioned by workers from mills 2, 3, 4, 6, 7, 8, 9, 11, 14, 15, 16, 17, 18, 19, 20, 21, 25, and 27<sup>111</sup>.

Other sources, including the south Indian labour rights organisations involved in this research, confirm the workers' experiences. The organisations say that employers threaten to withhold workers' monthly wages or cancel their end-of-term lump sum, if workers quit their jobs<sup>112</sup>. These threats are, apparently, one of the ways employers try to reduce labour turnover.

Workers from mills 11, 16 and 22 said that if they complained, disagreed or made any negative comment, they risked incurring a penalty, compulsory night shifts or dismissal. This was discussed in detail in the focus groups. The pressure on textile workers to work overtime is obvious. In 20 of the 29 mills that we investigated workers reported this. Workers from mills 1, 2, 3, 5, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, and 25 described the potential repercussions of refusing overtime work. The main forms of pressure applied to workers to make them work overtime include: scolding (mentioned 185 times), dismissal (mentioned 74 times), delaying payment of wages (mentioned 68 times), and making deductions from wages (mentioned 32 times).

Workers also mentioned other types of retaliation that might be used should they dare to refuse overtime, ranging from 'refusing us to pick overtime hours of our own choice in the future' (mentioned 25 times, by workers from mills 1 and 17) and getting 'a black mark in our record', to 'having to complete an extra shift', 'beatings and fights' (mill 11), and 'blackmailing'.

*'We cannot take leave, if we take leave our wages will be delayed. We have to keep working for the sake of our families and most of us have debts and loans to pay off. We bear all these for the sake of family, for our children's education.'*

FGD, mill 4.

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## 7. Retention of identity documents

### Retention of identity documents

*'The retention by the employer of identity documents or other valuable personal possessions is an element of forced labour if workers are unable to access these items on demand and if they feel that they cannot leave the job without risking their loss. In many cases, without identity documents, the worker will not be able to obtain other jobs or access essential services, and may be afraid to ask for help from authorities or NGOs.'*

### **ILO forced labour indicators<sup>113</sup>**



According to the research team, it is not uncommon for management to keep the identity documents of their workers, leaving the workers themselves with only a copy. Participants from the four mills (mills 4, 11, 16 and 22) where focus group discussions were held, confirmed that this practice takes place. They told how they had to hand over their original identity document to the recruiting agent, and how it is now with mill management. According to the research team, management keep hold of workers' original identity documents to prevent workers leaving. Holding on to workers' original identity documents is another way of tying workers to the mill.

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## 8. Withholding of wages

### **Withholding of wages**

*'Workers may be obliged to remain with an abusive employer while waiting for the wages that are owed to them. The fact of irregular or delayed payment of wages does not automatically imply a forced labour situation. But when wages are systematically and deliberately withheld as a means to compel the worker to remain, and deny him or her of the opportunity to change employer, this points to forced labour.'*

### **ILO forced labour indicators<sup>114</sup>**

A total of 105 workers, at six spinning mills, said that money was being deducted from their salary towards an 'end of term lump sum'. In the absence of a contract, appointment letter or any other written confirmation, it is not clear what the end of employment terms are. Meanwhile, the prospect of an end of term lump sum is an effective means of ensuring workers stay at the mill.

The mills deducting money from workers' salaries towards an 'end of term lump sum' are 15, 16, 17, 20, 24 and 27. Because there is no written confirmation of employment terms, workers are at a high risk of not receiving the money they anticipate.



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## 9. Debt bondage

### Debt bondage

'Forced labourers are often working in an attempt to pay off an incurred or sometimes even inherited debt. The debt can arise from wage advances or loans to cover recruitment or transport costs or from daily living or emergency expenses, such as medical costs. Debts can be compounded as a result of manipulation of accounts, especially when workers are illiterate. Debt bondage may also arise when children are recruited in exchange for a loan given to their parents or relatives. Employers or recruiters make it difficult for workers to escape from the debt, by undervaluing the work performed or inflating interest rates or charges for food and housing.'

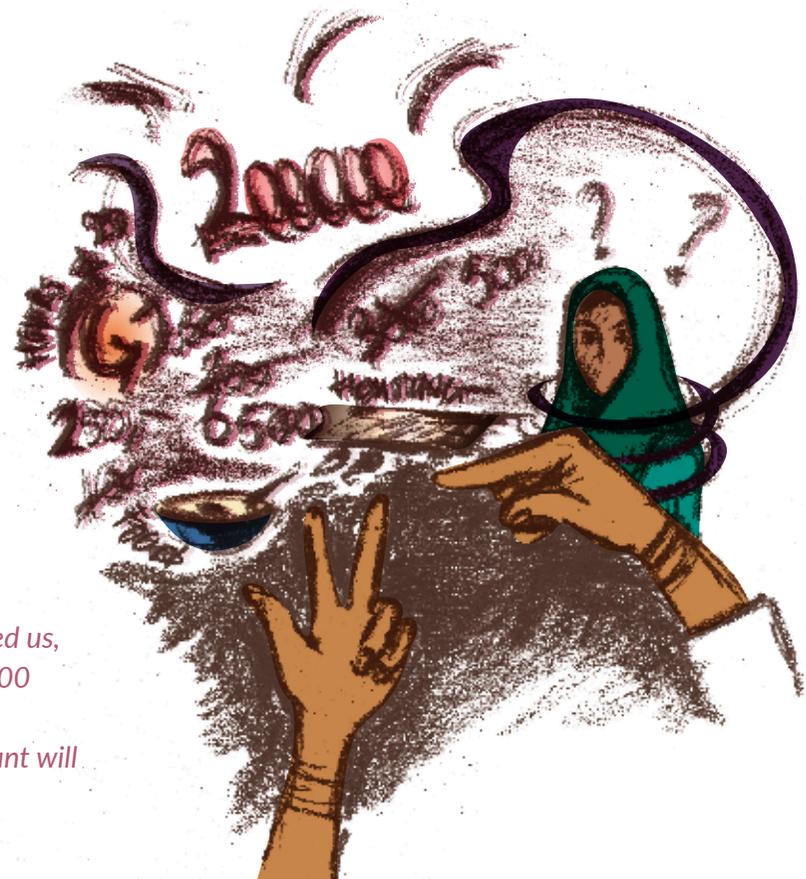
Debt bondage - or bonded labour - reflects an imbalance in power between the worker-debtor and the employer-creditor. It has the effect of binding the worker to the employer for an unspecified period of time, anything from a single season, to years, or even successive generations. It bears no resemblance to taking a 'normal' loan from a bank or other independent lender, for repayment on mutually agreed and acceptable terms.' **ILO forced labour indicators**<sup>115</sup>

There are indications that some workers may be in debt bondage.

At mills 11 and 12, some of the interviewed workers spoke about having to pay a fee to the agent who recruited them to work there. When the worker is recruited, the employer, via the recruiting agent, 'gives' the worker's family a sum of money which may be between INR 10,000 and 20,000 (€ 115.13 - 230.25). This money is given on the provision that the amount is then deducted from the worker's salary at the end of her or his employment term. It transpires, however, that workers must work for years to pay off this debt.

'We also have to pay some fee to the agent. At the same time, we too have received some advances from them such as INR 10,000 (€ 115.13), INR 15,000 (€ 172.69), INR 20,000 (€ 230.25)'.  
FGD, mill 22.

debt  
bondage



'When they agent recruited us, he gave a fee of INR 20,000 (€ 230.25). We signed an agreement that this amount will be paid back by us.'

FGD, mill 11.

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## 10. Abusive working and living conditions

### Abusive working and living conditions

'Forced labour victims are likely to endure living and working conditions that workers would never freely accept. Work may be performed under conditions that are degrading (humiliating or dirty) or hazardous (difficult or dangerous without adequate protective gear), and in severe breach of labour law. Forced labourers may also be subjected to substandard living conditions, made to live in overcrowded and unhealthy conditions without any privacy.'

Extremely bad working and living conditions alone do not prove the existence of forced labour; unfortunately, people may sometimes 'voluntarily' accept bad conditions because of the lack of any alternative jobs. However, abusive conditions should represent an 'alert' to the possible existence of coercion that is preventing the exploited workers from leaving the job.'

### ILO forced labour indicators<sup>116</sup>

'We do not get proper sleep. We always have to work. We often have to work two shifts and sometimes even three shifts. This makes us feel tired and drowsy. But we cannot take any rest.'

'When the food is not good, we work with an empty stomach. We feel nauseous and sometimes we need to vomit.'

FGD, mill 16.

## abusive working and living conditions



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## Low wages

Minimum wages in India are set at national, state, sector, and skill/occupational level. In Tamil Nadu, however, there is no minimum wage set for the textile sector, only a minimum wage for apprentices in textile mills.

Apprentices earn a basic daily minimum wage of INR 110 (€ 1.27). Along with a daily dearness allowance of INR 213, this brings the daily minimum wage to INR 322 (€ 3.71). Based on this daily rate, a monthly wage would be INR 8,390.20 (€ 96.59) (assuming six working days a week of eight hours in length). Shockingly, there are workers at all the spinning mills bar one (mill 7), whose daily wage is below the minimum wage for apprentices in textile mills. According to Wage Indicator, a monthly living wage for a family of four (two parents with two children) in Tamil Nadu in 2020 is INR 23,000 (€ 264.79).<sup>117</sup>

Table 7 provides information on the daily wages and monthly take-home wages of workers at the 29 investigated spinning mills. The monthly wage is the sum of the daily wages, including overtime wages and monthly bonuses (if any), minus deductions and penalties (if any).

The majority of the interviewed workers (561) said they received a festival bonus; 25 workers<sup>118</sup> said they received an attendance bonus.

## Financial penalties

At 18 spinning mills, respondents said financial penalties might be issued for, for example, arriving late to work, being absent from work, damaged or broken machines, machine parts or tools.

Interviewed workers at the following mills made mention of financial penalties: 1, 2, 3, 4, 5, 6, 7, 9, 11, 12, 13, 15, 16, 17, 19, 20, 21, and 26.

**Table 7: Daily and monthly wages (lowest and highest) as reported by interviewed workers**

Mill	Lowest daily wage (INR)	Highest daily wage (INR)	Lowest monthly wage (INR)	Highest monthly wage (INR)
1.	290	350	6,000	10,000
2.	200	450	6,000	10,000
3.	290	290	8,500	8,500
4.	210	450	8,000	8,500
5.	200	350	6,000	9,000
6.	250	320	6,500	9,000
7.	330	330	10,000	10,000
8.	250	350	No answer	No answer
9.	Don't know/no answer	Don't know/no answer	9,000	Don't know
11.	200	300	5,400	9,000
12.	200	310	5,000	9,000
13.	200	320	6,000	9,600
14.	200	350	7,500	10,000
15.	200	350	6,500	10,000
16.	210	320	6,000	9,600
17.	200	350	6,000	10,000
18.	300	320	No answer	No answer
19.	200	300	7,500	9,000

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20.	200	300	8,000	9,000
21.	200	300	8,000	9,500
22.	260	300	8,000	9,000
23.	330	350	8,000	8,000
24.	250	250	7,500	7,500
25.	200	200	8,000	8,000
26.	120	120	3,600	3,600
27.	250	250	7,500	7,500
28.	400	470	12,600	18,000
29.	380	450	10,000	14,000
30.	270	380	10,000	10,000

## Health impacts

Four focus group discussions involving workers from four spinning mills (4, 11, 16 and 22) focused on aspects of health and safety.

The interviewed workers spoke of ways their work, and work environment, affected their health.

Workers reported feeling fatigued because of long working hours, lack of sleep and lack of proper food. The machines are always running, so workers can never take a rest.

Work in spinning mills requires workers to be on their feet the entire time which, the workers said, increased their exhaustion. Standing all day also causes leg pains.

Weight loss was also a common concern. This issue arose in all four focus group discussions, as well as in individual worker interviews. Workers said they had been in good health when they arrived at the mill but had since lost weight, which they attributed to the demanding work and lack of proper food.

All the participants in the four focus group discussions described the environment in the spinning mills as dusty, hot, and moist. The air in spinning mills is deliberately kept hot and humid to prevent threads breaking. Workers said they are provided with mouth caps but feel they cannot breathe properly.

Headaches and coughs were reported, and some workers also said they were anaemic. They attributed these illnesses and conditions to their low food consumption.

At the four spinning mills where focus group discussions on occupational health and safety took place, participants said there was no such thing as paid sick leave. If workers took sick leave, they would not be paid for their days away from work. As a result, workers continued working even when they were ill.

Some medication is available in the spinning mills. Workers said that painkillers are available if workers need them, but those in the focus group discussions said that, most of the time, they were charged for medication. Consequently, workers do not ask for painkillers even when they feel unwell. If workers are seriously ill, supervisors will allow them to go home but this leave would be unpaid.

## Injuries

According to workers taking part in the focus group discussions, common injuries include cuts to fingers, hands and wrists caused by handling sharp cotton threads. At mill 16, participants spoke of a co-worker who had lost a finger due to an accident in the spinning mill.

Male workers also talked about injuries caused by having to handle heavy loads.

Workers said there were some first-aid materials in the factory, for minor injuries. Workers with serious injuries were sent to a clinic for treatment.

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## Restrictions in toilet use

Interviewed workers described restrictions imposed by management on the use of the toilet. During working hours, workers had to ask the supervisor for permission to use the toilet. Participants in the focus group discussions said they were only allowed to use the toilet two or three times a day, and each visit had a time limit. These restrictions are particularly problematic for women workers, especially when they are menstruating.

*'There are rules like; during shift hours we are allowed to use toilets only twice or thrice, with time limit of 5 to 10 minutes only. Even during our period time. The supervisor has to permit us to go for toilets.'*

FGD, mill 22.

*'The supervisor has to permit us to go for toilets. If used more times, we get scolding or will be sent out.'*

FGD, mill 11.

## Absence of workplace trade unions

Interviewed workers had very limited awareness of labour rights and trade unions.

We asked all 725 respondents if there was a trade union at the mill where they worked. Only 93 workers said there was a trade union at their workplace. Respondents from two mills (mills 14 and 22) answered the question by speaking about the "ICC committee", appearing to mistake the Internal Complaints Committee (ICC) for a trade union (indicating that workers do not know the difference between a trade union and an ICC).

Workers at five spinning mills did actually name the union active in their mill (AITUC and, once, CITU). Only three of the 725 respondents said they were a member of a trade union (one worker from mill 16, and two workers from mill 27).

**Table 8: Spinning mills where (a number of) workers said there was a union:**

Mill no.	No of workers indicating there was a trade union in their mill	Name of the union
11	10	AITUC
12	4	AITUC, CITU
13	5	AITUC
14	12	ICC Committee
16	8	AITUC
17	4	AITUC
20	1	Don't know
21	1	Don't know
22	6	ICC Committee
24	20	Don't know
27	22	Don't know
<b>Total</b>	<b>93</b>	

*'There is no labour union active here so workers' problems are not rectified.'*

Male worker (age 21), from Odisha, mill 2.

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*'Here there are many problems. They are not giving us bonus. They are not giving us proper food. Everything is very costly but our salary is very low. They are not allowing labour unions here.'*

Male worker (age 30), from Odisha, mill 2.

Various workers from mill 6, reported that management did not allow them to join a labour union. Among the priorities for improvement, workers from this mill said they wanted to have an active labour union at the workplace.

## Non-functioning or non-existent complaint committees

Internal Complaints Committees (ICC) had been established at eight spinning mills (mills 11, 12, 13, 14, 16, 19, 20 and 21). At four of these mills, workers said they knew who the chair of the committee was and, at two of the mills, workers said the committees had dealt with complaints.

Works Committees had been established at four spinning mills (mills 11, 12, 13 and 16) and the workers could name the chair of the committee. At two of the mills, workers said complaints had been submitted to this committee. At mill 13, a complaint about sexual harassment had been submitted to the committee. It is not clear how often complaints were taken seriously and/or resolved. There are both positive and negative signals. In some cases, workers were able to reach out to NGOs.

*'The Committee is there, but complaints are not taken seriously. It is up to the supervisor to handle the situation.'*

Worker, mill 13.

*'Supervisor and warden atrocities were solved.'*

Worker, mill 16.

Workers from mill 16 said that when they had reached out, on occasion, to NGOs, the NGO had helped resolve some issues.

*'We cannot report to anyone. We share some minor issues to the hostel warden. But the issues such as related to sexual harassment we do not share with anyone. There is a committee, but we do not complain. It is often inactive.'*

*'But sometimes we share with NGOs, and they have talked to the factory and solved some issues.'*

FGD, mill 16.

## Living conditions

As described previously, many workers have no choice but to stay in the mill-run hostel, and management often require workers to stay in such hostels.

Hostel workers described their accommodation as basic. There are no separate bedrooms and living rooms. Workers have to share rooms with many people, often upto ten or 20 others, and sometimes with more than 20. Workers on different shifts use the same room; while those on one shift are at work, those on the other shift use the room. The rooms are small, hot, stuffy, and badly ventilated. The electricity supply is irregular. Workers are provided with just a simple sleeping mat and pillow, no other bedding or furniture. The toilets and bathroom are

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shared between 20 or 30 people. Workers said the hostels were untidy and the facilities, unhygienic. Workers are responsible for keeping the hostel tidy, no cleaning service is provided, but given their long working hours, it is no surprise that workers have little time or energy for chores. The job of cleaning the toilets often falls to female workers at the bottom of the social hierarchy, such as those with a migration or Scheduled Castes background.

*'The hostel is overcrowded. Management is not concerned about this. They are not concerned about workers' health and wellbeing.'*

Worker, mill 1.

*'No hygiene is maintained here. We are not given good food. For the name sake they are giving food and accommodation. They are not treating us as human beings.'*

Worker, mill 1.

## 11. Excessive overtime

### Excessive overtime

*'Forced labourers may be obliged to work excessive hours or days beyond the limits prescribed by national law or collective agreement. They can be denied breaks and days off, having to take over the shifts and working hours of colleagues who are absent, or by being on call 24 hours a day, 7 days a week.'*

*The determination of whether or not overtime constitutes a forced labour offence can be quite complex. As a rule of thumb, if employees have to work more overtime than is allowed under national law, under some form of threat (e.g. of dismissal) or in order to earn at least the minimum wage, this amounts to forced labour.'*

***ILO forced labour indicators<sup>119</sup>***



**excessive overtime**

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Excessive, and forced, overtime is a pervasive issue in the Tamil Nadu spinning mills. The picture painted by workers is of working days regularly lasting 12 hours or more. The issue of excessive overtime provoked a lot of responses. Workers spoke in detail, and with vehemence, about the hardship of working such long hours. They said they were never able to properly rest because of the cumulative effect of working ridiculously long standard shifts, forced overtime, and being around noisy machines all the time.

Spinning mills operate 24 hours a day. Mills usually have a 3 x 8-hour shift system in place to accommodate this. 170 workers, working at 10 of the 29 investigated spinning mills, said that in their mills there were only two shifts – a day shift and a night-shift – of 12 hours each. At six of these 10 mills (mills 3, 4, 5, 28, 29, and 30), all the workers were obliged to work 12-hour shifts. At the other four mills (mills 1, 2, 6, and 11), it appeared that some workers worked 8-hour shifts, and other workers worked 12-hour shifts.

Indian law prescribes that workers should get one day of rest a week, but 283 of our respondents, working for 16 different mills (mills 1, 2, 3, 4, 5, 11, 12, 13, 15, 16, 19, 20, 22, 28, 29, and 30), said they often had to work seven days in a row.

90 workers said they had to work 12 hours a day, for seven consecutive days (a weekly working total of a staggering 84 hours). This issue concerned all workers interviewed at mills 28, 29 and 30, and a number of those interviewed at mills 1, 2 and 6<sup>120</sup>. Some workers even spoke of working 24 hours straight.

*'We complete our shift and if some workers of the next shift do not come in time we have to continue. Sometimes we go at 6 a.m. and come back only at 6 a.m. next day. I continue to do this since I am poor.'*

Female worker (age 33), mill 13.

*'They are making us do the day and night shift continuously, without any rest. There is even no time to go to the toilet. We are always working. We are even not allowed to go home for holidays.'*

Female worker, mill 13.

*'Both day and night shifts are there. Most of the days we have to do both the shifts. The machine will keep running, so we can't stop the work. If we stop the supervisor will scold. We cannot take leave, if we take leave, our wages will be delayed. We have to keep working for the sake of our families and most of us are in debt. We bear all these for the sake of family, for our children's education.'*

FGD, mill 4.

Workers at mills 11, 16 and 22, who participated in focus group discussions, said that they sometimes had to work two double shifts.

Over half the workers interviewed said they could not refuse to work overtime, in addition to their regular shifts of eight or 12 hours.

In our sample of 29 spinning mills, only two (mills 26 and 27) seemed to comply with Indian law which prescribes 60 working hours a week (six days of eight hours = 48 hours + 12 hours overtime), as the maximum. Respondents at these two mills said they did not work any overtime, and that their working week consisted of 48 hours (six days of an 8-hour shift).

Workers living in hostels on the mill compound were particularly at risk of being forced to work excessive hours. Respondents explained how management misused the workers' all-day presence at the compound to call them to work whenever the need arose. At one-third of the spinning mills (1, 2, 3, 4, 5, 6, 9, 12, 13, and 21), workers had been pulled out of bed in the night in order to work.

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Some hostel workers said they had to work extra shifts if local workers did not show up for their shift.

*'The machines are on 24 hours per day. I get no proper sleep. They are continuously asking us to work both the day and night shift which is very hard.'*

Female worker (age 23), mill 13.

*'Even when in the hostel we should be prepared to work anytime. Since there is no rain in our home town, farming is not possible and we have no other choice then to work in this hard situation.'*

Female worker (age 23), mill 13.

*'Since we are staying in the hostel we should be ready to work in any shift.'*

Worker, mill 22.

*'Since I am staying in the hostel, the management is making us to do all shifts.'*

Worker, mill 25.

*'I do not like to stay in the hostel because they will make us to do more work every day. They will not give rest, not even during menstruation period.'*

Female workers, mill 12.

*'We are pressured to do overtime at night hours. This makes us very tired.'*

Worker, mill 5.

*'We are called for the work at any time while sleeping, we cannot say no, if I say no, I am frightened whether I will be sent off from the work.'*

Worker, mill 13.

*'We are working non-stop, without knowing whether it is day or night.'*

Female worker (age 35), mill 20.

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In July 2020, we conducted additional interviews with 15 workers to hear first-hand from them how the corona crisis had affected their lives. All the workers had been interviewed previously during the field research. Before the outbreak of the COVID-19 pandemic and subsequent lockdown, these workers were employed at eight of the investigated spinning mills; one worker from mill 19 and two workers each from mills 11, 12, 13, 15, 16, 17 and 22. The eight spinning mills were all closed for prolonged periods during the lockdown. Apart from mill 12, which was closed for four months, the other mills were closed for three months (April to June 2020).

The interviewed workers hail from different districts within Tamil Nadu. All of them resided in factory hostels before the COVID-19 outbreak. Two stayed in their hostel during the lockdown (one worker from mill 11 and mill 13, respectively). The other workers were sent home. Workers travelled home by truck or by walking, or both. Nine workers said their employer arranged for transport home.

### 6.1 Loss of income

During the lockdown period, none of the workers received their regular wages or were given the option of paid leave. All said that they did not hold out any hope of receiving wages for the lockdown period.

### 6.2 Emergency relief

The only financial compensation that workers received was a one-off payment of INR 1,000 (€ 11.51). 12 workers said they had received a cash amount of INR 1,000 during the period their mill was closed. One worker (from mill 13) said she received INR 4,000 (€ 46.05). Two workers, both from mill 11, did not receive any money at all. These cash payments seemed to be financial support from the Tamil Nadu government made to ration card holders. When the lockdown was announced at the end of March 2020, the Tamil Nadu state government promised to issue an INR 1,000 cash payment to all ration card holders in the state, along with free rice, sugar, and other essential commodities. Despite this, six respondents said they had been denied food rations. Three of these respondents said they did not have a ration card and, without a card, could not receive any food relief or materials from the government. One worker (from mill 13), said her employer provided food during lockdown. 10 respondents said they received some dry rations from NGOs or charities. One worker received no support whatsoever, while two others did not answer the question about emergency relief.

The loss of income led to profound economic hardship for the workers, especially as their families also often depended on the income. The interviewees spoke about their struggles to survive and their inability to support their families.

*'I have been without work for three months, there is no money. I cannot buy food or clothes for my children.'*

Worker (age 23), mill 15.

*'We lost our livelihoods and we are struggling for survival.'*

Worker (age 19), formerly mill 12, now working in another spinning mill.

*'I was sent away from the mill. My family has no own house so we were living in a rented house. There is no money to pay the rent. The house owner asked us to leave. There is no money for expenses and we were denied ration rice [free rice from the government] because we have no ration card. We are surviving with old rice.'*

Worker (age 24), mill 16.

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| *'We are struggling for food.'*

| Worker (age 19), formerly mill 13, now doing farm work.

| *'I am not able to support my family; my parents are in crisis. I am struggling to pay my loan instalments.'*

| Worker (age 22), mill 13.

| *'More than COVID-19 I am worried that I will die of hunger.'*

| Worker (age 27), mill 19.

## 6.3 After lockdown

All respondents said that, after lockdown, the workforce at their mill was reduced by about half, and that women, young workers, migrants, and workers with a Scheduled Caste or Scheduled Tribes background were among those most likely to lose their jobs. Two respondents (both from mill 12) said that dismissed workers had received compensation of INR 6,000 (€ 69.08). The other 13 workers said that dismissed workers had not received any compensation.

The interviewees said that the workforce had been reduced because of a dramatic decrease in demand for products, and problems with delivery of inputs (cotton) since all business had closed down.

Four respondents no longer worked for their former employer. Two respondents worked at a mill (mill 12) that had not reopened at the time of the interview, so had begun working at another mill. The other two respondents - aged 19 and 20, respectively, with a Scheduled Castes background - were laid off as their mills (mills 11 and 13) reduced their workforce. One of them had found work in another mill, and the other had taken on farm work. She now usually works seven days a week and nine hours a day, depending on the work that needs to be done.

Workers that had returned to their mills, and those who had found work in other mills, reported that they now worked less days in a week but more hours in a day, and that their salary had been reduced.

Working weeks have gone down from six or seven days (see Chapter 5) to between two and four days. Four workers (one from mill 11, two from mill 15, and one worker who changed to another mill) now work four days a week. Five workers work three days a week (mills 11, 16, 19, 22 and one worker who changed to another mill), and another five workers said they now work two or three days a week (workers from mills 13, 16, and 22, and 2 workers from mill 17).

While the number of working days has decreased, the length of the working day has been extended at all mills, usually to 14 hours a day. Five workers mentioned days of between 12 and 14 hours, and nine workers mentioned days of 14 hours.

The interviewed workers also said they were no longer paid for overtime, and their daily wage had decreased. Eight workers from mills 15, 16, 17 and 22, and one worker from mill 11, said they now received daily wages of INR 170 - 200 (€ 1.96 - 2.30) compared to their pre-corona daily wage of INR 200 - 300 (€ 2.30 - 4.03). One worker (from mill 13) said that while her daily wage had stayed the same, the number of working hours in her day had increased.

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## 6.4 Safety measures inadequate

The 14 respondents who were still working in a spinning mill said that the following safety measures had been introduced at their workplace:

- Screening body temperature
- Use of face mask
- Provision of hand sanitiser
- Additional handwashing facilities
- Disinfection of work spaces
- Measures to maintain social distancing inside the factory.

Nevertheless, the interviewed workers had serious doubts about the adequacy of these measures. Seven workers (at mills 15, 16, 17, 19 and 22) said there was no way to maintain social distancing in the hostel and that they were afraid of contracting the virus there. One worker (mill 11) said she was afraid that outside workers (non-hostel workers) would bring the virus to the factory. Only one worker (from mill 13) thought the measures taken by her employer were adequate.

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In December 2020, SOMO and Arisa shared draft chapters of this report with garment factories, brands and retailers that we understood to be directly or indirectly sourcing from the spinning mills under investigation, based on information we retrieved from public supplier lists and shipment records extracted from Panjiva. In this report the names of the mills are not given, instead we have numbered the mills. The companies that we contacted for the review were, however, informed of the names and addresses of the mills under investigation.

We reached out to the Dutch Agreement on Sustainable Garments and Textile (AGT), the German Partnership for Sustainable Textiles (PST), Ethical Trading Initiative (ETI), Fair Wear Foundation (FWF), Fair Labor Association (FLA), amfori, Better Cotton Initiative (BCI), and the Global Organic Textile Standard (GOTS) asking them to figure out whether any of their corporate members had direct or indirect sourcing relations with the 29 mills under investigation (or with the vertically integrated companies that mills belong to). Draft research findings were made available. In a later stage, SOMO and Arisa had direct contact with corporate members of AGT, FWF and amfori, as a result of interventions by these initiatives' secretariats/staff.

SOMO and Arisa reached out to a number of brands and retailers that we found to have sourcing relationships with four garment factories in Bangladesh, China, and Sri Lanka which in turn sourced yarns from one or more of the mills under investigation.

This chapter summarises the responses to our research that we received from companies, MSIs, RBC initiatives and certification schemes.

### 7.1 Supply chain links

Cotton yarn and fabrics produced in Tamil Nadu are processed in the Tamil Nadu and Indian garment industry before being exported to their final destination - often the European or US market - in the form of clothing and household textiles. Yarn itself is often exported to countries such as Bangladesh, China and Sri Lanka, where clothes and textile items are produced, mainly for export.

In this research, it has been difficult to establish links between the investigated spinning mills, fabric manufacturers, garment manufacturers and the brands and retailers who are the ultimate clients.

In the Panjiva database there were no recent export records, or sometimes no export records at all, for almost half of the mills being investigated, suggesting that these mills supply yarn to other Indian factories who may export to international clients. The lack of transparency surrounding this process makes it difficult to establish links between the Tamil Nadu yarn producers and the Indian garment manufacturers. With a few exceptions, most of those involved in the supply chain - spinning mills, garment factories, clothing brands and retailers - are not forthcoming with information about their supplier and client base. While an increasing number of brands and retailers are disclosing their supplier lists, this transparency tends to be limited to the suppliers of end-products.

We are aware that we have only been able to establish a limited number of supply chain links. There are many other corporate actors involved besides the ones mentioned in this report.

In summary, brands and retailers may be directly or indirectly linked to one or more of the investigated spinning units in various ways. Below, we indicate which scenario applies to the companies that we contacted as part of the review procedure for this research report.

SOMO and Arisa use the term 'direct link' to mean cases where yarn and/or fabric used in the brand/retailer's products comes from one of the investigated mills. This does not mean that the brand/retailer has a contractual relationship with the investigated spinning mill; there may be one or more suppliers and/or agents in between (for

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example, garment factories). We speak of indirect links between brands/retailers and the mills under investigation, in cases where a brand/retailer sources from a CMT-unit that is part of the same vertically integrated company as the mill we investigated but yarn/ fabrics do not come from the investigated mill but from another spinning unit within this company; or even from a spinning unit outside this company.

**Scenario 1. (direct link)** The investigated spinning units are part of the brand/retailer's supply chain because the brand/retailer uses a sourcing model to identify the spinning mills that should supply yarn and/or fabrics (known as 'nominated' or 'preferred' suppliers) for the production of end-products.

*Example: Tesco (mill 14)*

**Scenario 2. (direct link)** A brand/retailer is linked to one of the investigated spinning units through a garmenting factory (based in, or outside, India) that sources yarn and/or fabrics from one of the investigated units. The brand/retailer has outsourced the responsibility to select yarn/fabric suppliers to its first-tier supplier (such as a garmenting/Cut Make Trim (CMT) factory) or an agent.

*Examples: Zeeman (mill 6), WE Fashion (mill 3)*

**Scenario 3. (direct link)** A brand/retailer is sourcing from a CMT unit in a vertically integrated company, and the investigated spinning unit is part of the same company. Yarn and/or fabrics are supplied by the investigated unit.

**Scenario 4. (indirect link)** A brand/retailer is sourcing from a CMT unit of a vertically integrated company, and the investigated spinning unit is part of the same company. The yarn and/or fabrics, however, are supplied by a different unit or company. It is impossible for SOMO and Arisa to verify these claims.

*Examples: IKEA (mill 19), Gap (mill 7), Next (mill 7), Sainsbury's (mill 7), The Cookie Company (mill 27), Marc O'Polo (mill 14)*

In scenarios 1, 2 and 3, brands and retailers are directly linked to the investigated unit(s), because yarn and/or fabrics produced by the mills are used in the production of their goods.

In scenario 4, the yarn and/or fabrics are supplied by other units or companies.

Orders for brands and retailers are, supposedly, processed in designated units. While these units may be audited, other units in the same building or which are part of the same company, may not be audited by the brand/retailer. If non-compliances are found in the audited unit, then corrective actions may be taken, but non-compliances in other units will go unnoticed and uncorrected. As described in Chapter 5, many factories in Tamil Nadu focus on various production processes and may also house multiple spinning units. Most of the brands and retailers we spoke with did not provide details on how they ascertain which unit processes the yarns and fabrics they order.

SOMO and Arisa are of the opinion that also in the latter case, there is a responsibility to conduct 'heightened human rights due diligence'. If labour rights issues become apparent, for example by means of CSO reports, in units belonging to the same company as where your products are made regardless of the direct or indirect relation to the problematic unit, then these are signals to be taken seriously and require the buyer to investigate and take action.

SOMO and Arisa also contacted a number of brands and retailers that source from garment factories based in Bangladesh, China, and Sri Lanka, which in turn source from one or more of the investigated spinning units. Some companies stated that the yarn used in their products comes from other producers. If this is the case, there is no link between the brand/retailer and the investigated spinning unit, which creates another scenario:

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**Scenario 5.** A brand/retailer is sourcing from a garment factory that is sourcing from one of the investigated units, but the yarns/fabrics used in the products of the brand/retailer come from another supplier

Though some of the companies that responded to SOMO and Arisa, explained their sourcing relationship with the investigated companies, the nature of that relationship still sometimes remained unclear. It is impossible for SOMO and Arisa to verify claims about the origin of yarn used in these companies products. A number of companies stated that they sourced from CMT units that are part of the same company as the investigated units, but that the yarn used for their goods is produced elsewhere. The Cookie Company Group (TCCG), with regard to mill 27, shared blockchain-based documentation which listed the different producers and suppliers involved in the production of TCCG goods linked to the CMT unit that we identified. In this case, yarns used for the products of TCCG did not come from mill 27 but from another spinning unit within that larger company.

Mill 7 in our report is part of a vertically integrated company. Carrefour informed us that they previously had a sourcing relationship with that company, but that the relationship had since ended. Carrefour did not clarify whether there had been a sourcing relationship directly with mill 7, despite our request for clarification.

In other cases, SOMO and Arisa only have the word of the companies we questioned.

## 7.2 Links established based on corporate disclosure

*The Dutch Agreement on Sustainable Garments and Textile (AGT)* is a broad coalition of businesses, business associations, trade unions, NGOs, and the Dutch government. The five stakeholder groups are represented on the steering committee and have equal votes. The aim of the AGT is to improve working conditions, prevent pollution, and promote animal welfare in production countries. The AGT currently has 81 corporate signatories<sup>121</sup>.

Corporate members of the Dutch AGT are required to conduct due diligence and progressively map their supply chains. The AGT discloses an aggregated list of suppliers that are part of AGT members' supply chains. This list includes suppliers of yarn and fabrics<sup>122</sup>. To date, the Dutch AGT is the only initiative that discloses supplier information beyond the first tier.

Parties in the Dutch AGT have developed a number of collective projects. One of these projects aims to improve working conditions in Tamil Nadu. The following themes are central to this project: discrimination and gender, child labour, forced labour, freedom of association, living wage, and health and safety in the workplace. The project began in September 2020 and will run for three years<sup>123</sup>. It includes a training programme for worker committees at 75 factories and spinning mills, and training courses for the residents of 35 hostels. The regional helpline that factory workers can call to report malpractices will also be upgraded and linked to the complaints and dispute mechanism under the Agreement<sup>124</sup>.

At the time of our research, five of the investigated mills were included in the AGT's supplier list, which means that at least one AGT member has sourcing relationships with these mills. Following our request for further information, the AGT Secretariat consulted their internal database and identified the AGT member(s) in question. As a next step, the AGT Secretariat reached out to these member companies and encouraged them to contact SOMO and Arisa. Three companies did contact us:

- The Cookie Company Group (TCCG)
- Zeeman
- WE Fashion

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**Fair Wear Foundation (FWF)** describes itself as a 'partnership for a more ethical garment industry'. FWF brings together different stakeholders; the board consist of 50 per cent business associations and 50 per cent trade unions and NGOs<sup>125</sup>. With more than 140 member brands and staff in production countries across Asia, Europe, and Africa, FWF works towards 'improving the lives of garment workers around the world'<sup>126</sup>, focusing on garment production - specifically sewing – and the cutting and trimming processes<sup>127</sup>.

FWF discloses an aggregated list of CMT factories that supply its members. Following a request from us, FWF checked the available supply chain information in their system and reached out to member companies that source in India to check whether any links existed between the investigated mills and FWF members. As a result, FWF member Marc O'Polo contacted SOMO and Arisa. Zeeman is also a member of FWF, but contact with Zeeman was facilitated by the AGT.

**amfori** is a business initiative that brings together over 2,400 retailers, importers, brands, and associations from more than 40 countries. Social compliance auditing is an important element of amfori's approach. amfori also provides a toolbox of human rights due diligence instruments, such as capacity building, stakeholder engagement, and advocacy. The amfori platform is a single point for all supply chain performance information, and amfori audits can also be accessed by amfori members through this platform. These audits mean that the amfori Secretariat has access to supply chain information such as the relationships between amfori members and their first-tier suppliers. Based on supply chain information in the amfori database, on behalf of SOMO and Arisa, amfori reached out to a number of their member companies that could have direct or indirect links with one or more of the facilities under investigation. Because of amfori's focus on first-tier suppliers (CMT units), we expected links could be established between amfori members and vertically integrated manufacturers in Tamil Nadu, or between amfori members and the four garment factories in Bangladesh, China, India, and Sri Lanka respectively that we had found to source from the Tamil Nadu spinning mills under investigation.

Responding to our call, seven amfori members reached out to us. We have not been able to establish a full picture of the possible direct or indirect links between the seven amfori members and the 29 mills under investigation.

**Ethical Trade Initiative (ETI)** is an 'alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe'<sup>128</sup>. With a combined turnover of over £166 bn, ETI company members include supermarkets, fashion retailers, department stores, and stone sourcing companies, as well as major suppliers to retailers of food and drink, flowers, clothing, shoes, homewear, promotional and other products. Many ETI company members are based in the UK, but there are also members in Australia, Germany, Spain, Sweden, and the US. At the time of writing, ETI had 68 full members<sup>129</sup>. All corporate members of ETI are expected to adopt the ETI Base Code of Labour Practice<sup>130</sup>.

SOMO and Arisa asked the ETI Secretariat to help identify ETI company members that may source from the investigated spinning units. SOMO and Arisa shared the names of the investigated units with ETI. ETI agreed to reach out to member companies and request they share the names of their yarn suppliers in Tamil Nadu. ETI would then check this information against our list of investigated spinning mills, and facilitate contact between relevant members and SOMO/Arisa. It is not clear, at the time of writing, what steps ETI has taken. We did not hear back from ETI, or from any ETI members, as a result of the intervention of the ETI Secretariat.

**Fair Labor Association (FLA)** is a collaborative effort of universities, civil society organisations, and socially responsible companies dedicated to protecting workers' rights around the world<sup>131</sup>. FLA has 60 company members, most of them based in the US. As affiliates of FLA, companies agree to subject their supply chains to independent assessments and monitoring. FLA monitoring is, however, limited to first-tier suppliers, and company members are only required to disclose their first-tier suppliers to the FLA secretariat. Because of this, FLA indicated that they could not be of assistance with regard to establishing links between the investigated spinning units and FLA company members.

**The German Partnership for Sustainable Textiles (PST)** was founded in 2014 'to improve the social and environmental conditions within global textile production'. The PST brings together industry stakeholders (companies and asso-

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ciations), NGOs, trade unions, standards organisations, and the German Government. 'The Partnership strives to improve conditions in global textile supply networks – from the production of raw materials to the disposal of textiles.'

PST member companies commit to undertaking risk assessments, and to use the results of these assessments to set targets for the following two years. In addition to prevention and mitigation, member companies aim to provide remedial action and compensation in the case of negative effects<sup>132</sup>. There are no requirements with regard to supply chain mapping and public disclosure.

PST includes three collective programmes, one of which aims to bring about systemic improvements to working conditions in the textile and garment industry in Tamil Nadu, with a focus on the women and girls working in spinning mills. As part of this programme, a training trajectory works towards the establishment of complaint committees in 200 spinning mills and factories<sup>133</sup>.

PST members do not disclose supply chain information to the PST Secretariat so the Secretariat has been unable to help us establish potential links between the investigated spinning units and PST company members.

**Better Cotton Initiative (BCI)** tracks BCI-certified cotton on its journey from the fields to the final customers: brand and retailers. A number of the investigated spinning mills process BCI-certified cotton, and are members of BCI. BCI has information that would have helped us establish links between the investigated spinning units and brands and retailers, but it told us that the information was confidential and could not be shared. We asked BCI to reach out to those brands and retailers that it could identify, and encourage them to contact us, but this did not materialise.

**Global Organic Textile Standard (GOTS)** told us they do not have information about the customers of GOTS-certified spinning mills, and therefore could not help us establish supply chain links. GOTS did say, however, that they were willing to take action with regard to the findings of this research (see below).

## 7.3 Links with vertically integrated manufacturers

As explained in Chapter 5, a number of the investigated spinning mills are part of vertically integrated companies that are also involved in the manufacture of end-products, such as garments and home textiles. Thanks to the accessibility of Indian customs data (through paid databases), we established links between such companies and importing companies.

Shipment records found in the databases, covering the research period, showed that the following companies sourced from units that are part of the same company as the spinning facilities we investigated:

- **IKEA**

IKEA sourced, or sources, home textiles from a CMT-unit that is part of the same company as **spinning mill 19 in this report**. When asked for a response, IKEA told us that yarn produced in the investigated unit is not used in IKEA products<sup>134</sup>.

- **GAP**

GAP sourced, or sources, from a garmenting unit that is part of the same company as **spinning mill 7 in this report**. GAP informed SOMO that 'no GAP Inc. products are comprised of fabric from this facility'<sup>135</sup>.

- **NEXT**

NEXT had, or has, clothing items made by a garmenting unit that is part of the same company as **spinning mill 7 in this report**. When asked for a response, NEXT told us that this garmenting unit uses yarns from different mills, not from spinning mill 7<sup>136</sup>.

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- **Sainsbury's**

Shipment records indicate that Sainsbury's was sourcing from a garmenting unit that is part of the same company as **spinning mill 7 in this report**. Sainsbury's told us: 'We do not source from the mill that you have referenced'. Sainsbury's added that it was already aware of the issues described in this report and said it would use this report in interactions with its suppliers<sup>137</sup>.

- **Carrefour**

When we reached out to Carrefour in December 2020, the company told us it had a commercial relationship with a CMT unit that is part of the same company as **mill number 7 in this report**. According to Carrefour, this relationship no longer exists. Carrefour also stated that, after receiving the draft findings of our research, it asked to visit mill 7, but was denied access by the supplier. Carrefour wrote: 'As a consequence, we removed this supplier from our current and future supplier list and thus are cutting any future commercial relations with them'<sup>138</sup>.

- **The Cookie Company Group (TCCG)**

Links were established between The Cookie Company and two vertically integrated companies. In the first case, TCCG had a sourcing relation with a CMT unit that is part of the same company as **mill 27 in this report**. TCCG shared documentation with SOMO and Arisa listing production facilities involved in the production of TCCG-branded goods. The yarns for TCCG did not come from the investigated spinning unit but from another spinning unit part of the same vertically integrated company.

In the second case, we found a link between TCCG and a CMT unit that is part of the same company as **mill 9 in this report**. TCCG informed us that the relation with this company was terminated by the end of 2019. TCCG told us this was the result of a lack of supply chain transparency provided by this manufacturer.

**Table 9: Investigated mills**

Facility number in report	Certification/ membership improvement initiatives	International export destinations	Connection with brands/ retailers and MSIs
1		no information found	no information found
2	GOTS	no information found	NEXT (ETI, BCI)
3	BCI, GOTS	factories in Peru, Vietnam, Bangladesh, etc.	WE Fashion (Dutch AGT)
4		factories in China	no information found
5		no information found	NEXT (ETI, BCI)
6		no information found	Zeeman (Dutch AGT, FWF, BCI)
7	BCI	garmenting division exporting to brands and retailers in the US and Europe	Carrefour (amfori), GAP (BCI), NEXT (ETI, BCI), Sainsburys (ETI, BCI)
8	BCI	factories in Vietnam, Germany, China, etc.	NEXT (ETI, BCI)
9		garmenting division exports to companies in Germany, the Netherlands, France, etc.	The Cookie Company (Dutch AGT, amfori)
11		no information found	no information found
12		no recent information found	no information found
13		exporting to factories in China	no information found

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14	BCI, GOTS	exporting to factories in Indonesia, China, Singapore, Sri Lanka, etc	Tesco (ETI, BCI), Marc O'Polo (FWF), NEXT (ETI, BCI)
15		exporting to factories in China, Vietnam, Bangladesh, etc.	no information found
16		no information found	no information found
17		no recent information found	no information found
18		no information found	no information found
19		exporting to companies in the US, Germany, China, Italy, etc.	IKEA (BCI)
20		no information found	no information found
21	BCI	exporting to factories in Peru and Bangladesh	NEXT (ETI, BCI)
22		no information found	no information found
23		no information found	no information found
24	BCI	exporting to factories in Sri Lanka (most recent is August 2019)	no information found
25		no information found	no information found
26		no information found	no information found
27	BCI	exporting to factories in the US, Sri Lanka, South Korea, Bangladesh, etc.	The Cookie Company (Dutch AGT, amfori), NEXT (ETI, BCI)
28		no information found	no information found
29		no recent information found	no information found
30		no information found	no information found

## 7.4 Company responses with regard to the draft research findings

Responding to the draft findings of our research, most companies focused on the nature of their supply chain links with the investigated spinning mills (or the absence of such links). Our investigation shows that companies often have a direct sourcing relationship with the CMT-unit of a vertically integrated enterprise, but source yarn from other suppliers. The lack of detailed responses to the working, living and employment conditions described in this report, suggests that companies do not feel these issues are their responsibilities.

Some companies responded to our findings and took action:

**Tesco** confirmed that **mill 14** in this report is part of their supply chain. Tesco works with a sourcing model based on 'preferred spinning mills' and 'declarations of traceability'. Therefore Tesco knows where the yarns that are used in Tesco products originated from. Tesco currently uses 60 per cent BCI cotton and 40 per cent organic cotton<sup>139</sup>. Tesco's top 20 yarn and fabric suppliers are located in India. Tesco told us it has begun including these facilities in monitoring activities.

The company initiated an investigation with regard to mill 14 in this report, and detected several 'critical issues' in relation to wages and benefits, and verbal intimidation. Tesco is now working with the mill on a set of corrective actions.

**NEXT** and **Marc O'Polo** were also identified as having links to **mill 14**. **NEXT**, **Marc O'Polo** and **Tesco** said to be interested to undertake interest for jointaction. **SOMO** and **Arisa** facilitated contact between the three companies. **Zeeman** and **Carrefour** undertook steps to start investigations, and enter into dialogue, with the spinning units in their supply chains. However, the spinning mills in question (**mills 6 and 7**) refused to have conversations about the issues raised. In the case of **Zeeman**, the spinning mill even stated that it would no longer supply yarn to **Zeeman's agent Vogueserv**<sup>140</sup>.

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**Carrefour** informed SOMO and Arisa that, because it was denied access to the facility, it removed the mill as a current and future supplier<sup>141</sup>. **Zeeman** stated that, as remediation was impossible due to the unwillingness of the mill to enter into dialogue, the company had decided to end its relationship with the spinning mill<sup>142</sup>.

**WE Fashion** sources yarn from **mill 3 in this report**, via a garment manufacturer based in Tamil Nadu. In response to the draft findings, WE Fashion told us that, in 2020, mill 3 had taken part in a training programme where a local NGO provided sessions on labour rights for workers, middle management, and human resources staff. WE Fashion wrote the following: *'We are investigating if the same issues that have been reported on by Somo (-), have come up during the NGO training too, and if this training has changed the situation in this mill'*. WE Fashion also stated that it would be joining AGT's Factory Support Programme in Tamil Nadu, which began in 2020. This programme consists of a worker committees training programme, and focuses on improving worker-management dialogue<sup>143</sup>.

A number of companies said that, while they had a sourcing relationship with a CMT unit that is part of the same company, the yarn/fabrics they use for their products do not come from the investigated mill. Some of these companies said that they were concerned by the research findings and are undertaking further action. **Marc O'Polo**, for example, uses<sup>144</sup> yarn from a spinning unit that is part of the same company as mill 14 (this company operates several spinning units). Marc O'Polo writes: *'since the issue reflected in your research is very grave, we want to understand the exact situation of workers in the unit where our supplier sourced from, so we will commission a monitoring audit with Fair Wear Foundation in this unit and based on the findings take remediation actions'*.

In contrast, some companies appear to see no reason for taking action. **IKEA**, for example, stated: *'IKEA has no business relationship with mill 19 and therefore the mill is not part of the IKEA supplier programs and IWAY, the IKEA supplier code of conduct'*. The company said that it did not have *'the legal right to enforce IWAY, conduct audits at mill no 19 or refer to mill no 19 as an IKEA supplier'*<sup>145</sup>.

## NEXT

Following conversations with SOMO and Arisa, NEXT expressed interest in receiving the list of investigated units, so the company could investigate if any of the mills were part of its supply chain. We honoured this request, and NEXT told us that six of the 29 mills were part of its supply chain. A follow-up conversation between NEXT, SOMO, and Arisa is planned<sup>146</sup>.

## GOTS

GOTS told us they had contacted the GOTS Certification Bodies (CB) responsible for the certification of the GOTS-certified mills in our research, and asked them to comment on the findings of this report. At the time of writing, we have not yet received this feedback. GOTS has also asked the concerned CBs to share the most recent audit reports, and told us they may ask the CBs to start conducting unannounced audits in these facilities to ensure that all GOTS requirements are being met<sup>147</sup>.

A number of companies that we reached out to did not respond at all, including the four garment factories in Bangladesh, China, and Sri Lanka.

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# 8. Conclusions: Beyond 29 mills – a sector risk analysis

This research is based on interviews with 725 workers at 29 mills, which we consider to be a very considerable sample. We found evidence of the existence of human rights and labour rights violations in the 29 researched mills, including forced labour. While our findings directly concern the 29 mills we investigated, we feel justified, on the basis of this sample, to make extrapolations and present a risk analysis for the Tamil Nadu textile sector as a whole.

## 8.1 Incidence and risks of forced labour

For this research, we used the 11 indicators of forced labour, developed by the ILO. Forced labour, according to the ILO's definition, is a result of a combination of indicators. On the basis of the evidence we found, we feel justified saying that there are increased risks of human rights and labour rights violations in the Tamil Nadu textile industry, including a considerable risk of forced labour.

The indicators of most concern to us are: abuse of vulnerability (indicator 1), deception (indicator 2), intimidation and threats (indicator 6), abusive working and living conditions (indicator 10), and excessive overtime (indicator 11). These were the indicators most present in researched mills.

### 1. Abuse of vulnerability

This research shows that a considerable proportion of workers in the Tamil Nadu textile industry are labour migrants. One third of the workers we interviewed hailed from outside Tamil Nadu, with many originating from Assam, Bihar, Odisha, and Uttar Pradesh. Poverty, indebtedness, and lack of economic prospects drive workers to take jobs in spinning mills in faraway Tamil Nadu. Because of a lack of a shared common language, migrant workers in Tamil Nadu face barriers when communicating with their employers. There is also a language barrier between workers from different states and regions. The research shows that textile workers have little knowledge of labour laws and social security regulations. Many textile workers are young; ten respondents were below the age of 18 when interviewed. More than one-third of the interviewed workers said there were workers below the age of 18 in their mill, incriminating 21 mills. In five of these spinning mills, workers told us that the youngest workers were 14 years of age. Workers also, generally, have little educational background. Many workers are young women, bound by culture to gendered codes. And, in addition, textile workers often belong to marginalised caste or tribal communities.

All these factors contribute to a worker's vulnerability. Workers lack the language, the education, the social-economic status, and the maturity to communicate on an equal footing with management, supervisors, and hostel staff. This makes them extremely vulnerable to misunderstandings and abuse.

### 2. Deception

For the majority of workers, the information they received during recruitment about the employment and living conditions in their prospective jobs turned out to be incorrect. Once they had started the job, and were housed in the hostel, they often found wages to be lower than they had been promised, were working longer hours than promised, and were not entitled to paid annual leave. They also found that money was deducted from their wages for food and accommodation, contrary to what they had been told during recruitment. This situation amounts to deceptive recruitment.

### 3. Restriction of movement

The majority of interviewed workers – 481 out of 725 - lived in hostels on the mills' premises, and some described severe limitations to their freedom. When they are not working, workers must remain in the dormitories. They

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are not free to mix with one another. Hostel wardens were described as very strict, and workers feel constantly watched.

Because of their extremely long working hours, workers have very little free time so are unable to pursue their own interests.

While workers are allowed to make trips to town, to the market, on a weekly or monthly basis, they must do so in the presence, and under the supervision, of wardens. There is no other affordable housing for workers in the vicinity of the mill, so workers have little choice but to live in hostels on the factory premises. These restrictions of movement are especially true for women workers.

## 4. Isolation

Workers living in hostels are not usually allowed visitors. Hostel wardens are tasked to oversee and supervise the workers that live there. Making private phone calls is not easy; phone usage is restricted, and wardens eavesdrop on conversations.

As workers come from various states and speak various languages, there are communication barriers among workers, which limit social interaction between workers and prevent them organising themselves on the work floor and in hostels.

We found that many workers were not aware of the existence of organisations that could offer support or advice. Very few workers were aware of trade unions or labour rights organisations.

## 5. Physical and sexual violence

Women workers described an abusive atmosphere, both on the work floor and in the hostels. Male managers, supervisors, hostel staff, and even co-workers, engage in inappropriate touching (such as holding hands and pinching), make sexualised comments, or profess insincere and inappropriate feelings of affection. These behaviours often take place under cover of loud machine noises. Sleeping quarters in the hostels are not closed, and women described a lack of privacy and safety there.

Anecdotal as it may seem, the evidence presented in this report should be rigorously considered in the context of a global culture of sexual harassment in the workplace that is significantly underreported.

## 6. Intimidation and threats

All the interviewed workers described being under huge pressure to work overtime, to meet their employer's schedule and demands. This pressure takes all forms: scolding, getting 'a black mark on our record'; having to do an extra shift; threat of dismissal; delayed payment of wages; deductions from wages. Some workers even spoke of 'beatings and fights' and 'blackmailing'. Workers also described experiencing this kind of pressure when they asked for leave.

What stood out in these testimonies were the threats, rather than the details about actual penalties or disciplinary measures. More than one third of the interviewed workers believed, for example, they would face a financial penalty if they left their job.

It seems fair to conclude that there is a climate of fear at work in the spinning mills. Workers have internalised the threats, and have come to think that whatever their employers and superiors are saying to them will actually happen. Workers see no choice but to shut up and walk the line.

## 7. Retention of identity documents

Some workers spoke of management confiscating identity documents, leaving them with only a copy of their ID. Holding on to workers' original identity documents is an effective way of tying workers to their employer.

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## 8. Withholding of wages

Workers from six mills said that money was regularly deducted from their salary to go towards an 'end-of-term lump sum'. As many workers do not have an employment contract, appointment letter or any other written confirmation of their employment, the precise date of the end of their term of employment is often unclear.

## 9. Debt bondage

Some of the interviewed workers spoke about having to pay a fee to the employer's recruiting agent who found them their job at the mill. During recruitment, the worker's family were 'given' money by the employer via the agent. This money was given on the proviso that it would be deducted from the worker's salary at the end of her or his term of employment. It appears, however, that workers must work for years to pay off this debt.

## 10. Abusive working and living conditions

Low wages constitute part of the abusive working conditions. These low wages are compounded by financial penalties imposed by employers as punishment for various types of misconduct, such as arriving late to work, being absent from work, damaging machines, or losing machine parts or tools.

On the basis of the 725 interviews we conducted, we concluded that working in the spinning mills has potentially severe negative health impacts. The machines are always running and workers work extremely long hours. As a result of these crazy working hours there is little time for proper, restorative night rest. The majority of interviewed workers spoke about being tired and feeling weak.

Because workers are on their feet for long hours, many mentioned pain in their legs. The combination of heat, humidity, and cotton fluff creates an unhealthy work environment and causes respiratory problems. Workers spoke of headaches and coughing as common ailments. Everyday injuries included cuts to fingers, and on hands and wrists. Use of the toilet is restricted to two or three times a day, and each visit has a strict time limit. This is particularly problematic for women workers, especially when they are menstruating.

Workers also spoke about the lack of proper food, and the poor quality of food served in the factory canteens. Many reported loss of weight and anaemia.

Hostel accommodation is very basic. Workers sleep and stay in dormitories. Workers share dormitories with ten or twenty people, sometimes more. Workers from different shifts use the same dormitories; while one shift is at work, the other shift uses the room. Workers' quarters are small, badly ventilated, hot, and stuffy. Electricity in the hostels is irregular. Workers have to make do with a basic sleeping mat and pillow, and are not provided with any other bedding or furniture.

The toilets and bathrooms in the hostels are shared by upto thirty people. Workers described the hostels as untidy and the facilities as unhygienic.

The level of unionisation throughout the Tamil Nadu spinning mills is pathetic, despite that freedom of association and the right to collective bargaining are key enabling rights. Only three of the 725 interviewed workers were union members. Workers in only five mills could name the union. None of the investigated mills had a collective bargaining agreement in place.

Workers were also not guaranteed access to remedy. Internal Complaints Committees (ICC) were established at only eight mills. Workers at only four of these mills could name the chair of the committee, and, at only two mills, workers indicated that the committees had dealt with complaints.

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## 11. Excessive overtime

Spinning mills operate continuously. Most mills have a system in place of 3 x 8-hour shifts, though a 2 x 12-hour shift system is also very common. At one third of the investigated spinning mills workers said that they are regularly woken up in the middle of the night in order to work.

## 8.2 Lack of publicly available data and supply chain transparency

This research was hampered by a serious lack of publicly available information on the spinning mill industry. Data on the Tamil Nadu textile industry, business structures, and supply chains, is either outdated or not available.

Reliable data simply on the number of spinning mills in Tami Nadu are not available. Furthermore, information on the size of the mills (number of workers), the type of mill (vertically integrated or stand-alone), their precise addresses, the names of the enterprises, ownership etc, is hard to come by.

There is also a lack of information about supply chains. While a growing number of brands and retailers now disclose supplier lists, these public lists are mostly limited to first-tier suppliers, and spinning mills are usually regarded as third-tier suppliers. Public transparency about third-tier suppliers is rare. Moreover, many brands and retailers do not even map their supply chain up to the level of spinning mills.

The public availability of up-to-date supply chain information is essential for workers, labour unions, labour rights organisations, as well as corporate actors and improvement initiatives, to make a concerted response to labour rights violations. This kind of response is only possible if all those involved in the supply chain make themselves known. Transparency about supply chain relationships - volumes and values of orders, purchasing practices, contracts, prices etc. - is essential to identify the responsibility level of buyers.

Most yarns and fabrics produced in Tamil Nadu are exported to other countries, such as Bangladesh and China, where they are processed into branded goods. Products made in Bangladesh and China are exported to the EU and the US but, because of the lack of export data, it is impossible to tell which brands are involved, and data from Panjiva or OAR are inconclusive.

## 8.3 Flawed business model

The business model of the global garment and textile industry has often been characterised as loose, flexible, supply chains and complex webs of dozens of intermediaries. The supply chains of brands and retailers often include many different actors, like buying houses, agents, middle-men and procurement service providers. This research confirms that the model of outsourcing production, together with unfair purchasing practices, is at the root of the poor practices experienced by workers, such as a lack of living wage, child labour, and structural overtime.

As part of the review procedure we contacted a group of brands and retailers that we identified as having direct or indirect relations with the investigated companies. We shared with them two draft chapters of this report which describe the research findings.

We found that brands and retailers often outsource the procuring of yarns and fabrics to the garment factories that make their end-products. Brands and retailers do not necessarily have any relationship with the spinning mills that supply yarns and fabrics. In fact, it appears it is not even common practice for brands and retailers to ask their first-tier suppliers which spinning mills they work with, let alone ask them about the working conditions at those yarn and fabric suppliers. It is, therefore, very easy for brands and retailers to say that they have no access to, and power over, this link of the supply chain.

We found, however, that while some brands and retailers do not have a direct contractual relationship with the spinning mills in their supply chain, they still may enter into dialogue with these facilities when necessary.

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Other business models also exist where, for example, an agent, rather than the garmenting factory, is responsible for choosing the yarns and fabrics manufacturers. In another model, brands and retailers work with so-called nominated or preferred mills to determine where yarns/fabrics are sourced and the production capacity of the mill. In the latter case, brands and retailers do have a relationship with fabric manufacturers, making the labour conditions in these mills, and the need to improve them where necessary, part of the brand/retailer's responsibility.

In this research, we identified a number of garment factories in Bangladesh, China, India and Sri Lanka, that are direct customers of the mills we investigated. We have asked these garment factories about their relationships with the mills but have not received any responses.

In some cases, brands and retailers reached out to the garment factories in their supply chain, and asked them to relay our concerns and queries to the mills in their supply chain.

While most of the companies that responded to SOMO and Arisa's review request, explained their business model and sourcing relationship with the investigated companies, some of these relationships remained unclear. A number of companies said they did source from garment units that are part of the same company as the investigated mills, but that the yarn used in their goods was produced elsewhere. Some companies provided information to substantiate this claim (such as the names of spinning mills in Tamil Nadu that supply yarns and fabrics to their garment suppliers) but others did not.

## 8.4 Restricted interpretation of supply chain responsibility

Despite international norms (UNGP/OECD Guidelines) clearly stating that companies are responsible for conditions throughout their supply chain, very few of those involved (brands/retailers, MSIs, etc) assumed responsibility for conditions higher up the supply chain.

Some brands and retailers did assume responsibility for conditions in the units they sourced from but very few took responsibility for the sub-standard conditions in units belonging to the same company, if they did not have a direct contractual or commercial relationship with that unit.

Orders for brands and retailers are supposedly processed in designated units. While these units may be audited, other units in the same building or belonging to the same company are not audited by the brand/retailer. If non-compliant practices are found in the audited unit, action to correct them might be taken but non-compliant practices in adjacent units will go unnoticed and uncorrected. And, as described in Chapter 3, many textile factories in Tamil Nadu have more than one, or even multiple, spinning units.

## 8.5 Reliance on social auditing

Some of the brands and retailers, in their responses to Arisa and SOMO, referred to their standard audit practices and the outcomes of recent audits, as well as to ad hoc inspections and extra audits undertaken in response to the findings and allegations we had presented to them. A number of audit firms were mentioned in this context, such as Intertek. This is not hopeful. The social auditing undertaken by brands and retailers to detect risks and violations in their supply chain has long been discarded because of its ineffectiveness. It is frustrating, therefore, to see brands and retailers still relying on these outdated tools. Only one of the brands and retailers that responded to our review request explicitly mentioned getting in touch with local labour rights organisations and other stakeholders, which should be a part of human rights due diligence (HRDD).

## 8.6 Frontrunners bear the brunt

SOMO and Arisa are aware that companies that are frontrunners in terms of supply chain transparency are more easily linked to human rights and labour rights violations in their supply chains, while their less transparent

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competitors who are very likely to be linked to the same issues stay under the radar. SOMO and Arisa are, nevertheless, of the opinion that it is important to disclose the names of brands and retailers linked to the investigated spinning units, and highlight any efforts these companies make to address the labour rights issues occurring in the lower tiers of their supply chain. Such transparency enables collective approaches. In addition, according to the UNGP and OECD Guidelines, companies must communicate how adverse human rights impacts are addressed, and disclose the relevant details (such as findings on human rights risks and abuses occurring in their supply chains) to show their procedures are adequate.

#### Enhanced transparency needed

The Transparency Pledge coalition lists the following arguments in favour of supply chain transparency<sup>148</sup>:

- Supply chain transparency can help workers gain faster access to redress for human rights abuses;
- Supply chain transparency is central to conducting effective human rights due diligence;
- Publishing supply chain information builds trust.

The GoodElectronics Network, SOMO, and the Business, Human Rights and the Environment Research Group (BHRE) also call for disclosure based on the worker's right to know. Companies are responsible for disclosing all information that may impact on, or is necessary to realise, workers' rights, lives and livelihoods, to primary rights-holders and to other related parties such as worker representatives and representative organisations. States are obliged to ensure that companies do disclose this information and that workers are able to access and engage meaningfully with such information. This makes states and business enterprises 'duty bearers'<sup>149</sup>.

## 8.7 Leverage

The review process clearly showed that many companies are still using a very weak interpretation of HRDD. Brands and retailers easily claim that they have no leverage over a spinning facility, either because they have no direct relationship with that facility, and/or because their buying power is limited.

#### Performance of MSIs/RBIs /certification schemes varies greatly

For this research we contacted a number of improvement initiatives relevant to the global garment and textile industry: the Dutch AGT, amfori, BCI, ETI, FLA, FWF, GOTS, and the German PST.

We learned that all these initiatives have different standards and practices when it comes to the supply chain transparency of their corporate members.

The AGT stands out in a positive way as it requires its member brands and retailers, from the third year of their membership, to map their supply up to the level of spinning mills, and share this information with the AGT Secretariat. A number of AGT members have mapped their supply chain to the level of spinners, and the AGT is disclosing this information in an aggregated format via the OAR<sup>150</sup>. This approach is to be commended and should serve as an example for other brands and retailers, and also for multi-stakeholder and corporate improvement initiatives. The German PST, FLA, and ETI sit at the other end of the spectrum. The member brands of these initiatives are not required to map or disclose their supply chains beyond first-tier suppliers (end-products). FLA and ETI say supply chain transparency is discussed within their respective membership bases, but there have been no clear-cut policies or requirements formulated.

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# 9. Recommendations

## 9.1 Corporate actors

We ask **all corporate actors** along the garment supply chain, to:

- Adhere to international **laws and standards**, Indian laws, and Tamil Nadu state regulations with regard to human rights and labour rights;
- Conduct heightened Human Rights Due Diligence (**HRDD**), based on a strong interpretation of the current international framework on due diligence.
  - This includes, amongst other things, incorporating HRDD policy throughout all business operations, including all departments and phases of product development: from design to materials selection, from procurement to quality control, as well as in the upstream supply chain;
  - This requires ensuring that rights holders, and their representative organisations, have a decisive voice in HRDD processes, in particular those in vulnerable worker categories, such as: women; migrant workers; workers from Scheduled Castes, including Dalits, Other Backward Classes; and Scheduled Tribes (ST);
- Engage in rigorous **supply chain mapping**. This mapping should extend beyond first-tier suppliers and encompass both the units that make the end-products, and the facilities that produce yarns and fabrics, as well as all those involved in the process of procuring materials and producing end-products, such as buying houses, agents, and providers of procurement services;
- Design and operate **systems that facilitate the ongoing collection and management** of supply chain data, to facilitate combining data/insights on the origin of materials and supply chain links/production phases. Block chain technology may be helpful;
- Publicly **disclose** supply chain information, in accordance with the highest prevailing standard in this field;
- Actively commit to furthering **freedom of association** and **collective bargaining**. Facilitate the establishment and functioning of democratically elected, independent, factory-level, trade unions;
- Facilitate workers' access to **credible judicial and non-judicial grievance mechanisms**. At an operational level, trade unions should be able to play a legitimate role in addressing labour-related disputes. Grievance redressal mechanisms, prescribed by Indian law, should be established and functional at supplier level. Operational-level grievance mechanisms can complement freedom of association and collective bargaining, but are no substitute for either;
- Increase focus on the existence and risk of **forced labour**: embrace the ILO normative framework with regard to forced labour and address the 11 ILO forced labour indicators both individually and together;
- Increase focus on the existence and risk of **child labour**: do not accept workers below 18 years in any facility in the supply chain;
- When **identifying new suppliers**, in particular spinning units, select those that have all the legally required committees in place, and are open to organising and unionisation;
- Engage in **good faith, and meaningful dialogue**, and seek collaboration with human rights and labour rights organisations at local, state, national, and international level;
- Actively seek to **increase leverage over suppliers**. This can be done in a number of ways: by building long-term, stable buyer-supplier relationships; entering into clear and fair contracts; publicly disclosing business relationships; and/or announcing that if there is repeated non-compliance, the business relationship may be terminated;
- Manufacturers and brands must ensure that spinning mills in their supply chain **do not work with labour contractors/agents that make false promises or use deception, as a way of recruiting workers**.

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## The Apparel and Footwear Supply Chain Transparency Pledge provides a common minimum standard:

- The full name of all authorised production units and processing facilities (printing, embroidery, laundry, etc.);
- The site addresses;
- The parent company of the business at the site;
- Type of products made (apparel, footwear, home textile, accessories, etc.);
- Worker numbers at each site (less than 1,000 workers; 1,001 to 5,000 workers; 5,001 to 10,000 workers; more than 10,000 workers).

Information to be published in a spreadsheet or other searchable format.<sup>151</sup>

## Advanced supply chain disclosure involves sharing more data on:

- The corporate structure of supplier facilities;
- The type of business relationship, including information on the type of contract and the contract terms (in as far as disclosure of such terms is not prohibited by law);
- Sourced products: HS-code, volume, Free on Board (FoB) value;
- The labour force of the supplier facilities, in terms of demographic characteristics (gender, age, migratory status, etc.), employment relationship (directly employed or indirectly employed);
- Whether, and to what extent, supplier facilities enable freedom of association and the right to collective bargaining, including whether there is a trade union active in the facility, if collective bargaining takes place and whether a CB Agreement is implemented. This would also include information on the presence and functioning of the legally required factory-level committees, such as Works Committee (WC), Grievance Redressal Committee (GRC) and Internal Complaints Committee (ICC);
- The availability and quality of operational-level grievance mechanisms for workers in the supply chain, both on supplier level, brand-operated mechanisms and mechanisms operated by MSIs, certification schemes and RBC initiatives, including information on complaints received, taken up and resolved;
- Factory-level HRDD processes, including (depending what approaches are taken): risk assessments, compliance monitoring, verification, inspections, and/or social audits. Disclosure must encompass: policy, methodology, details on audit firms or other commissioned partners, findings and results, decisions regarding prioritisation, corrective action plans, and the outcomes of such actions. Furthermore, companies must investigate, and share, how their purchasing practices might adversely affect the human rights of workers in the supply chain;
- Such information must be shared in the public domain and be made bilaterally available to relevant CSOs and trade unions.

## Additional format requirements for supply chain disclosure:

- Present information in a language that will be understood by those rights-holders who are directly involved;
- The information must be available free of charge;
- Provide regular updates, at least annually;
- Ensure that previous versions of disclosed data are archived but remain publicly accessible;
- Align published factory lists with the Open Data Standard for the Apparel Sector and submit the information to the Open Apparel Registry.

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## We specifically ask the Tamil Nadu textile industry to:

- Commit to **fair recruitment practices**, particularly in relation to migrant workers. This means ensuring that prospective workers receive correct information on their working and living conditions; that employers live up to the promises made to recruited workers; that workers are not asked to make advance payments; and that workers are formally registered at the relevant administrative authorities;
- Provide all workers with written **employment contracts** (EC) and monthly payslips in a format that workers can understand. Workers should be given a copy of their EC to keep for their own administration;
- Implement a standard **working week of 48 hours** (for example, 3 x 8-hour shifts a day);
- Pay all categories of workers, from apprentices to skilled workers, **a wage that enables them to cover their basic needs** and have a discretionary income<sup>152</sup>. Pay wages via bank transactions as per the law. Discontinue the practice of withholding wages and/or benefits and unfair, burdensome, loan schemes;
- Make all the legally required **social security contributions** to the Employees' Provident Fund (EPF) and the Employees' State Insurance (ESI);
- Facilitate the establishment and functioning of democratically elected, independent, factory-level **trade unions**. Engage in good faith social dialogue with these unions with a view to producing collective bargaining agreements that are respected and implemented, and regularly renegotiated as per the law;
- Facilitate the establishment and functioning of legally required **factory-level committees**, such as the Works Committee (WC), Grievance Redressal Committee (GRC), Internal Complaints Committee (ICC) and Safety Committee (SC);
- Engage in good faith dialogue and look to **collaborate with human rights and labour organisations**, including trade union federations, labour rights organisations, civil society organisations, and multi stakeholder initiatives, at a local, state, national, and international level. Train workers, supervisors, and management on labour rights. Involve workers and labour rights organisations in monitoring working conditions, and grievance redressal.

## We ask international garment brands and retailers to:

- **Acknowledge and address the power imbalance between: brands and retailers, upstream members of the supply chain and factory management, middle management and workers.** Brands and retailers should refrain from unilaterally imposing requirements and demands on their suppliers. Balanced buyer-supplier relationships require a two-way approach;
- **Refrain from Unfair Trading Practices** and **adhere to responsible purchasing practices** that enable **those involved** in all tiers of the supply chain to be decent employers, offer employment contracts, and pay a living wage to their workers. It is not acceptable for buyers to pressure their suppliers to meet standards on human rights without providing them with the means to do so. More details below;
- Consolidate their supply to **muster sufficient leverage** over suppliers, including spinning units. Depending on the type of production model, possible strategies are:
  - Simplify/shorten supply chains: reconsider the role of agents, middle-men, and buying houses;
  - Build long term relationships with suppliers;
  - Take responsibility for identifying yarn and fabric suppliers in the supply chain;
  - Work with 'nominated' spinning mills;
  - Have proper and consistent forecasting (booking production capacity in advance, for example);
  - Reward mills that respect labour rights by giving them 'preferred supplier' status, increasing procurement prices, and guaranteeing a minimum volume of orders;
  - Address issues in cooperation with companies that source from the same mill;

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- Base HRDD policies and practices on a progressive interpretation of what constitutes the production network. If non-compliant practices become apparent, for example by means of CSO reports, in units belonging to the same company as where your products are made regardless of the direct or indirect relation to the problematic unit, then these are signals to be taken seriously and require the buyer to investigate and take action.

Note, total monopolisation of a supplier makes a supplier dependent on the business performance of a single buyer. This is not a sustainable model.

- **Monitor and remediate labour issues** when they occur at all levels along the supply chain, in collaboration, where possible, with first-tier suppliers and/or other buyers. Monitoring should include **off-site interviews with workers**;
- Join credible **Responsible Business Conduct initiatives**
  - that are of a binding nature upon the brand members<sup>153</sup>;
  - have MSI features;
  - that facilitate enhanced supply chain transparency, and include further tiers, beyond end-product factories – such as yarn and textile producers – in their improvement programmes;
  - that structurally and meaningfully engage rights-holders and their representative organisations.
- **No 'cut & run'**: Buyers should refrain from discontinuing relations with suppliers on the basis of non-compliance. To 'cut and run' is not an effective way of impressing upon suppliers that they should improve on human rights and labour conditions. As well as adhering to fair purchasing practices, buyers must seek to apply leverage, in collaboration with other buyers, to steer suppliers towards improvements. If nothing works, then **responsible disengagement** is a last resort<sup>154</sup>.

#### Fair purchasing practices include:

- Fair contractual terms;
- Fair prices based on fair and 'open costing';
- Mutual agreement between buyer and supplier on production planning and lead times;
- Reasonable payment terms (60 days);
- No unilateral suspension or cancellation of contracts;
- Transparency about purchasing practices and costing methodologies. Contracts between buyer and supplier should not contain clauses that deny parties the right to publicly disclose such information.

#### EU Directive on business-to-business relationships in the agricultural and food supply chain (2019), bans the following ten Unfair Trading Practices<sup>155</sup>:

1. Payment later than 30 days for perishable agricultural and food products;
2. Payment later than 60 days for other agri-food products;
3. Short-notice cancellations of perishable agri-food products;
4. Unilateral contract changes by the buyer;
5. Payments not related to a sale of agricultural and food products;
6. Risk of loss and deterioration transferred to the supplier;
7. Refusal of a written confirmation of a supply agreement by the buyer, despite request of the supplier;
8. Misuse of trade secrets by the buyer;
9. Commercial retaliation by the buyer;
10. Transferring the costs of examining customer complaints to the supplier.

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## Six further practices are banned unless they are provided for in clear and unambiguous terms in a supply agreement:

- 11. Return of unsold products;
- 12. Payment of the supplier for stocking, display, and listing;
- 13. Payment of the supplier for promotion;
- 14. Payment of the supplier for marketing;
- 15. Payment of the supplier for advertising;
- 16. Payment of the supplier for staff of the buyer, fitting out premises.

## We ask Responsible Business Conduct initiatives, Multi Stakeholder Initiatives and certification schemes to:

- Include civil society stakeholders, including trade unions, on an equal footing, in decision-making, consultations, programmes, and projects;
- Be transparent about the timelines and substantive requirements imposed upon member companies;
- Require member companies to map their supply chain and publicly disclose supply chain information and HRDD processes, in line with the requirements formulated above. Mapping and disclosure could be a phased process, with disclosure to the initiative's secretariat and aggregated public disclosure as an intermediate step.
- Publish the assessment of member companies, as well as the assessment framework and criteria used;
- Publish lists of member brands that source in specific countries or regions.

## 9.2 Government actors

### To the governments of countries where brands and retailers are headquartered:

- Actively **enforce existing legal instruments** with regard to respect for human rights in international supply chains, such as the UK Modern Slavery Act (2015), the French Corporate Duty of Vigilance Law (2017), the Dutch Child Labour (Duty of Care) Act ('Wet Zorgplicht Kinderarbeid') (2019); and the German HRDD law (2021);
- Develop and adopt **HRDD legislation** – at a national level and in EU and international settings - that obliges companies, to conduct HRDD in line with the OECD Guidelines; that can be applied to companies of all sizes and types, including Small and Medium Enterprises (SMEs); and that covers the full supply chain;
- **Support**, also with financial means, credible national, international and/or sectoral **RBIs/MSIs improvement initiatives** that aim to improve working conditions in the global garment and textile industry, allowing for a 'smart mix' of binding regulations and improvement initiatives. Credible means in line with all aspects of the UNGP/OECD Guidelines and Guidance;
- Develop national and/or EU-level **regulation** to address unfair trading practices (**UTPs**) in business-to-business relationships in the garment and textile supply chain, similar to the EU directive on business-to-business relationships in the agricultural and food supply chain, adopted in 2019<sup>156</sup>;
- In the context of **political and trade relations with India**, both bilateral and in EU/international settings, raise the issue of forced labour in the south Indian textile industry;
- EU and EU member states amend **EU custom regulations** to allow further public disclosure of imports of yarns, fabrics, apparel items and household textiles, with a minimum requirement that the following be disclosed: name and address of manufacturers and importers, HS code, product type/description, volume, FoB value of goods;
- Ensure that only companies that apply enhanced HRDD and operate fully in line with OECD Guidelines and Guidance and the UNGPs have access to governmental support and contracts. **Exclude companies with an insufficient HRDD track record, from public procurement, official trade delegations, state aid**, etc.

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## To Indian government authorities, at national and state level:

- Urgently ratify the relevant **ILO Conventions**, in particular the ILO Conventions on Freedom of Association and Collective Bargaining, Child Labour, and the Protocol to the Forced Labour Convention, and transpose these conventions into national law;
- Develop and enact **HRDD legislation**;
- Ensure that only companies that apply enhanced HRDD, and operate fully in line with OECD Guidelines and Guidance and the UNGPs, have access to government support and contracts. **Exclude companies with an insufficient HRDD track record from public procurement, official trade delegations, state aid, etc.**
- **Enforce all central and state laws and regulations** that protect the rights and interests of textile industry workers in Tamil Nadu, in particular intrastate and interstate migrant workers, giving special regard to those in vulnerable worker categories such as young women, and people with a Dalit or tribal background, and migrant and hostel workers.
- **Develop and pass legislation on a minimum wage** for all types of workers, working under all types of contracts, in the garment and textile industry;
- Take **measures to ensure that the rights of migrant workers** are protected, especially those in vulnerable worker categories such as young women, and people with a Dalit or tribal background. These measures would include: regulating and monitoring government-sponsored and other recruiters; providing workers and their families and communities with adequate information about their rights and what they should realistically expect of their new workplaces; ensuring that job opportunities provided under government-funded skills training programmes meet Indian labour laws and international criteria for decent work;
- Ensure judicial grievance mechanisms are in place for workers;
- **Support and protect civic space**, in particular the civil society organisations, labour movement, grassroots organisations, and human rights defenders in Tamil Nadu, that look into, and report on, the plight of vulnerable workers and the abuses they suffer in the garment and textile sector;
- Improve the accessibility and credibility of existing judicial and non-judicial grievance redressal mechanisms for workers.

## Specific points of attention in relation to fighting discrimination on the basis of caste and tribal background:

All stakeholders that have a role and a stake in the Indian textile sector – manufacturers, buyers, MSIs and other improvement initiatives, business associations, Indian and international civil society organisations, government representatives – need to acknowledge that discrimination on the basis of caste and tribal background is a highly problematic issue that needs to be urgently addressed. There are many ways of doing this. Suggested ways forward are:

- Include discrimination on the basis of caste and tribal background, in corporate two-way codes of conduct and monitoring programmes. There are various helpful tools that companies, MSIs and RBC initiatives can use to help with this, such as the Dalit discrimination check (ISDN, 2008), ETI Guidance on Caste in Global Supply Chains (ETI, 2019), and the Ambedkar Principles and Guidelines to address Caste Discrimination in the Private Sector (ISDN, 2009);
- Ensure workers with a tribal or low-caste background, including Dalits, are aware of their rights; Educate all workers, supervisors, and management on the root causes and manifestations of caste and tribal discrimination;
- Work towards a balanced representation in supervisor and management roles of people with different caste, tribal, gender, and social backgrounds;
- The OECD should include discrimination on the basis of caste, and other similar forms of discrimination, in the OECD Guidelines for Multinationals;

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- The problem of discrimination based on caste and tribal background in the garment and textile industry should be the subject of discussions between India and the countries where international buying companies are headquartered. These discussions should take place in the context of overall trade relations, as an important aspect of the business and human rights agenda;
- EU Member states should work with the European Commission to create an EU-wide policy on Dalits and Business and Human Rights, both as part of the wider policy of raising the issue of caste discrimination in relationships with India, and as part of its business and human rights policies.

## 9.3 Need for further independent research

While we are proud of this research, we also acknowledge that a number of topics have not received the attention they deserve. More research is required, undertaken by independent parties, to establish, in particular, the correlation of various factors such as caste and tribal background, poverty, labour migration, wages, housing conditions, conditions on the work floor, etc. It is, in this context, that we call upon government and public funders to make this possible, and, at the same time we ask that corporate actors collaborate with follow-up research.

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## Endnotes

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