

# Manual

Codes & Practices of five  
Garment Buyers in Africa

December 2006

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**SOMO**

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## Colophon

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**Codes and practices of 5 garment buyers in Africa**

### By:

SOMO – Centre for Research on Multinational Corporations

**Cover Design:** Annelies Vlasblom



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## Introduction

This Reader covers 5 major US based multinationals that source their garment and apparel products from manufacturing companies on the African continent. If your organisation would like to explore the possibility of international support to specific cases of labour rights violation, you will find information here on the labels, the companies and support organisations.

This reader will be regularly updated, information can be sent to Esther de Haan at [esther@somo.nl](mailto:esther@somo.nl)

Each chapter contains detailed information on each company.

- ❑ An **executive summary** that highlights the main features of each chapter.
- ❑ A **company profile** covering organisation, management structure and financial information.
- ❑ An outline of the company's core **business and strategy**, including some historic information.
- ❑ A comprehensive list of the company's **business activities**, detailing the major brands and product lines manufactured for the company.
- ❑ An overview and assessment of the company's **corporate social responsibility policy**.
- ❑ An explanation of the **company's policy in the case of violations**, including the company's monitoring mechanisms.
- ❑ A set of **case studies** that document recent complaints against the company and company reactions.
- ❑ Up to date information on **what can be done** in the case of a violation, including available contact information for each company and information and an explanation of how to report a violation
- ❑ An **appendix** that includes the company's main declarations of business principals and ethics

The final section of the Reader gives up to date links to organisations that can offer support to organisations seeking to report violations against any of these company's or their suppliers.

# 1. JC Penney

## 1.1. Executive summary

JC Penney is the third largest apparel retailer in the US after Wal-Mart and Target. JC Penney retail stores are one of the most recognizable stores in the US. Where ever there is a mall, there is sure to be a JC Penney's. JC Penney's has middle of the road retail prices.

JC Penney has a code of conduct specifying standards for contractors and suppliers throughout its entire supply chain. The code requires that products produced for JC Penney meet national and international legislation.

A case history shows that the company has failed to make any public response to labour violations among its suppliers. JC Penny are very difficult to contact directly to discuss violations of its code of conduct.

## 1.2. Company Profile

<b>Name:</b>	JC Penney Company, Inc.
<b>Business Address:</b>	6501 Legacy Drive Plano, Texas 75024
<b>Telephone:</b>	972-431-1000
<b>Fax:</b>	972-431-1000
<b>Web site:</b>	www.jcpenney.com
<b>Industry:</b>	Retail
<b>Logo:</b>	
<b>Chairman and CEO</b>	Myron E. (Mike) Ullman III
<b>President and Chief Merchandising Officer</b>	Kenneth C. (Ken) Hicks
<b>African Countries in the Supply Chain</b>	
<b>No. Employees</b>	151,000 (2005)
<b>Average growth of employees per year</b>	2,7%
<b>2005 Sales</b>	US\$ 18,781.0 (million)
<b>1-Year Sales Growth</b>	1,9%
<b>2005 Net Income</b>	US\$ 1,088.0 (millions)
<b>1-year Net Income Growth</b>	107,6%

### 1.3. Business and Strategy

The JC Penney Company, Inc. is the holding company for JC Penney Corporation, Inc.

The company is one of the largest US retailers, after Wal-Mart and Target. It operates through 1,017 JC Penney department stores across the United States and in Puerto Rico, through 62 department stores in Brazil, and over the internet.<sup>1</sup>

JC Penney's own brand labels form the backbone of the business, and account for 60% of all women's clothing sold.<sup>2</sup> JC Penney brands are sold via licensing agreements in JC Penney retail outlets and through other retailers.

JC Penney has focused on production planning as a strategy to improve its profitability. The company aims to reduce its lead times and offer more relevant and timely merchandise.<sup>3</sup>

JC Penney's main competitors include Sears, Target and Wal-Mart.

### 1.4. Business Activities

This section provides a detailed list of the main brand labels produced for and sold by JC Penney.

	a.n.a Casual clothing for women
	Bali Likely to be licensing agreement
<b>Barely There®</b>	Barely There Likely to be licensing agreement

<sup>1</sup> JC Penney, nd, JC Penney overview, <<http://www.jcpenney.net/company/overview/overview.htm>>, (24 April 2006).

<sup>2</sup> Gary Gereffi, June 1999, International trade and industrial upgrading in the apparel commodity chain, [http://www.soc.duke.edu/~ggere/web/gereffi\\_jie\\_june\\_1999.pdf](http://www.soc.duke.edu/~ggere/web/gereffi_jie_june_1999.pdf), (13 July 2006).

<sup>3</sup> JC Penney, Annual report 2005, [http://library.corporateir.net/library/70/705/70528/items/192659/JCP\\_AR05.pdf](http://library.corporateir.net/library/70/705/70528/items/192659/JCP_AR05.pdf), (24 April 2006).

	<p>Cabin Creek Women's Cabin Creek clothing offers traditional looks with modern comforts. Offers casual outfits for everyday wear, including pants, jeans, etc.</p>
<p><b>Cuddl Duds®</b></p>	<p>Cuddl Duds Clothing and shoes for women, including tops, pants and camisoles.</p>
	<p>Delicates Clothing includes tops, bottoms, suit, Lingerie and Sleepwear.</p>
<p><b>Fancy Me®</b></p>	<p>Fancy Me Offers Underwire Lace Nursing Bra.</p>
	<p>Flexees Sells underwear and lingerie.</p>
	<p>Flirt (is part of delicates) Clothing includes tops, bottoms, suit, Lingerie and Sleepwear.</p>
	<p>Goldtoe Sells shoes, handbags, etc.</p>
	<p>Miss Bisou Offers shirts, dresses, etc. for women.</p>
	<p>l.e.i. Clothing for men, women and teens including jeans, shirts and accessories.</p>
	<p>Liz Baker Clothing includes Belted 2-Way Stretch Pants, Drapeneck Dress and suede jackets.</p>
	<p>Medela Offers maternity and nursing intimate apparel</p>
	<p>Mixit Women's clothing and shoes, accessories and handbags. Clothing includes dresses and skirts.</p>
	<p>Nicole Miller Designer clothes like evening gowns, dresses, etc. Also offers all kinds of accessories, shoes and handbags.</p>

	<p>Olga Clothing for women, including underwear and bras.</p>
	<p>Sag harbor Sag Harbor offers short-Sleeved Jackets, skirts and pants</p>
	<p>St. John's Bay Clothing and shoes for men and women, including shirts and sweaters.</p>
	<p>Tignanello Offers clothing, handbags and wallets.</p>
	<p>Units Men's clothing and accessories, including shirts and pants.</p>
	<p>W Clothing for every part of the day, from office until evenings</p>
	<p>Worthington Timeless classic career clothing for women</p>
	<p>Big Mac Workwear for men, offering men's jackets, shirts, overalls and pants.</p>
	<p>Haggar Comfortable clothing for both men as women</p>
	<p>The Habanera &amp; Co Men's clothing, including pants and tailored suits.</p>
	<p>J. Ferrar Men's clothing among others pants, shirts, etc.</p>
	<p>Towncraft Comfortable and traditional styling men's clothing, including sweaters, shirts and pants.</p>
	<p>Bright Future Girls' clothing and baby clothing, including dresses and coverall footies.</p>

	Okie-Dokie Brand for newborn, infant and toddler playwear
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## 1.5. Corporate Social Responsibility Policy

JC Penney has a code of conduct specifying standards for contractors and suppliers throughout its entire supply chain. The text of this code can be found in Section 1.9.

The code requires that products produced for JC Penney meet national and international legislation.

The code states that the company will not accept merchandise that<sup>4</sup>:

- ❑ Does not have accurate country-of-origin labelling;
- ❑ Was manufactured through convicted, forced, or indentured labour;
- ❑ Was manufactured through illegal child labour; or
- ❑ Was manufactured in violation of any other applicable labour, workplace safety or environmental law or regulation.

## 1.6. Company Policy in the Case of Violations

JC Penney company policy is to investigate complaints and allegations of violations of this code. However, the company has no standardised procedure to deal with specific reports of violations of its code of conduct by suppliers.

In the case of a reported violation, the company brings together members of its Legal Department, Auditing Department, and Human Resources Department who view the available information and decide what course of action to take.

In cases where a supplier is found to violate labour standards, the company states that it will:

- ❑ Suspend current business activity until the supplier or the contractor is in complete compliance and they are assured the supplier has taken the steps necessary to prevent future violations;
- ❑ Cancel outstanding orders;
- ❑ Place the violating factory on their suspended factory list prohibiting use by a JC Penney supplier;
- ❑ Terminate their relationship with the supplier; or

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<sup>4</sup> JC Penney, nd, The JC Penney Supplier Legal Compliance Program, <http://www.jcpenney.net/company/supplier/legal/index.htm>, (24 April 2006).

- ▣ Report illegal activity to the appropriate legal authorities

The company employs no third body organisation to audit or monitor its suppliers and has no links to external civil society organisations.

## 1.7. Complaints and Company Reactions

The following section documents complaints against JC Penney and responses by the company to violations of labour rights through its supply chain.

In all cases the company failed to make any public statement.

### ***The Philippines***

In 2003 the Philippine media reported sweatshop practices in *Anvil Ensembles*, a factory producing baby clothes for JC Penney among others.<sup>5</sup> The factory's accreditation from a national auditing firm was temporarily withdrawn.<sup>6</sup>

There was no public reaction to the case from JC Penney.

### ***Jordan***

In 2006 apparel manufacturing units located in Jordan were found to violate codes of conduct on labour standards and working conditions, according to the US National Labour Committee.<sup>7</sup>

JC Penney failed to make any public response to the allegations.<sup>8</sup>

### ***Guatemala***

In 2003 a Guatemalan court found the management of Nobland – a garment manufacturing unit producing for American retailers including JC Penney - guilty of anti-union activities.<sup>9</sup>

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<sup>5</sup> Luige del Puerto and Rommel Lalata, 'Sleepless in Sweathop – Garment workers drugged to stay awake for 3 days', Trade Union Congress of the Philippines, 3 July 2003, <http://www.tucp.org.ph/projects/sweatshops/anvil/sleepless.htm>, (17 October 2005).

<sup>6</sup> Clean Clothes Campaign, 2005, Looking for a quick fix, [http://www.renaklader.org/dokument/pdf/05-quick\\_fix.pdf](http://www.renaklader.org/dokument/pdf/05-quick_fix.pdf), (27 March 2006).

<sup>7</sup> National Labour Committee, May 2006, U.S. Jordan free trade agreement; descends into human trafficking & involuntary servitude, <<http://www.nlcnet.org/faxes/jordan/report.pdf>>, (9 May 2006).

<sup>8</sup> Wal-Mart Watch, 6-5-2006, Breaking news: congress requests investigation on Jordan sweatshops, <[http://walmartwatch.com/blog/archives/congress\\_requests\\_investigation\\_on\\_jordan\\_sweatshops/](http://walmartwatch.com/blog/archives/congress_requests_investigation_on_jordan_sweatshops/)>, (8 May 2006).

<sup>9</sup> Global Exchange, 4 May 2005, Central America lags on labour rights for trade deal, <<http://www.globalexchange.org/campaigns/cafta/3048.html>>, (7 June 2006).

JC Penney continued to source clothing from the Nobland factory without any action, until June 2005 when the unit was abruptly closed.<sup>10</sup>

## **Nicaragua**

In 2004 a court in Nicaragua found that the dismissal of unionised workers from the Chentex factory – a manufacturer of clothes for US retailers, including JC Penney – was illegal and that workers should be reinstated.<sup>11</sup>

There was no public reaction to the case by JC Penney and no evidence of any practical steps by the company to ensure that the factory complied with the court's decision and with Nicaraguan labour law.

## **1.8. What Can Be Done?**

What can be done when there is a problem in a factory producing for JC Penney?

This section provides the available contact information and explains the company's procedure.

### **Who to contact?**

<b>JC Penney</b>	001-972-431-1000 (HQ Operator)
<b>Name</b>	Mary Tacher
<b>Position</b>	Associate General Counsel, Litigation.
<b>Email</b>	Mtacher@jcpenny.com

### **And**

<b>JC Penney</b>	
<b>Name</b>	R. Ross Tishler
<b>Position</b>	Sr. Manager - Supplier Compliance and Factory Security.
<b>Fax</b>	+ 1 215-745-8692
<b>Phone</b>	+ 1 215-742-1833
<b>Mobile</b>	+ 1 215-783-4311
<b>Email</b>	rtishler@jcpenny.com

<sup>10</sup> Co-opamerica, 1 October 2005, sweatshop labour, <<http://www.coopamerica.org/programs/rs/profile.cfm?id=295>>, (10 July 2006).

<sup>11</sup> See: Carrie Antfinger (Corpwatch), 22 August 2000, Nicaragua: US retailers contract with sweatshops, <http://www.corpwatch.org/article.php?id=604> (12 June 2006); Co-op America, 1 June 2004, Co-op America's retailer scorecard, <<http://www.coopamerica.org/programs/sweatshops/scorecard.cfm>>, (12 June 2006).

### ***Who are they?***

Mary Tacher is a representative in JC Penney's Litigation Department. The Litigation Department are called to comment and advise on all reported cases of violations. R. Tissler is from the Supplier Compliance and Factory Security.

### ***How to contact them?***

Make a telephone call directly to the United States or send an email.

### ***What to say?***

There is no format for reporting violations but the following information is helpful.

- ❑ A description of labour rights violations that have occurred, including the dates on which they occurred and details of local labour laws that have been broken.
- ❑ The name, address, and contact information (fax, phone, e-mail) of the factory/workplace involved.
- ❑ The name and contact information of the owner of the workplace.
- ❑ The names of any known companies or brands that the factory produces goods for.
- ❑ The country/ countries where goods are exported to.
- ❑ A summary of workers' demands.
- ❑ The name and contact information of the organization/s seeking assistance and their relationship to the workers involved.

### ***Will they use their influence?***

JC Penney did not respond to enquiries for information and there is no public information about their influence on sourcing or supply chain decisions.

## 1.9. Annex

### a. *The JC Penney Supplier Legal Compliance Program*<sup>12</sup>

#### **Extracts from sections related to labour conditions and supplier relations**

##### **Contract Requirements**

JC Penney's purchase contracts explicitly require our suppliers to comply with all applicable laws and regulations, including those of the United States and those of any foreign country in which the merchandise is manufactured or from which it is exported. Our contracts also require all suppliers to impose the same obligation on their contractors.

A failure by a supplier, or by one of its contractors, to comply with all applicable legal requirements will violate JC Penney's contract with the supplier, giving us the right to cancel the contract and seek compensation for any resulting expense or loss. Moreover, serious or repeated violations of such requirements by a supplier or its contractors will result in termination of the supplier's business relationship with JC Penney.

##### **Foreign Sourcing Issues**

JC Penney requires the merchandise it purchases from suppliers to meet all applicable laws and regulations, both U.S. and foreign. JC Penney will not accept merchandise that fails to meet an applicable requirement. To address issues of particular concern in the foreign sourcing area, we have stated in our *JC Penney Foreign Sourcing Requirements* that we will not knowingly allow the importation into the United States of merchandise or knowingly accept merchandise that:

- ❑ Does not have accurate country-of-origin labelling;
- ❑ Was manufactured with convict, forced, or indentured labour;
- ❑ Was manufactured with illegal child labour; or
- ❑ Was manufactured in violation of any other applicable labour, workplace safety or environmental law or regulation.

For each shipment of foreign-produced merchandise, we require our foreign suppliers and our U.S. suppliers of imported merchandise to obtain the manufacturer's certificate that the merchandise was manufactured at a specified factory (identified by name, location, and country), and confirming compliance with each of our requirements.

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<sup>12</sup> JC Penney The JC Penney Supplier Legal Compliance Program, <http://www.jcpenney.net/company/supplier/legal/index.htm>, (24 April 2006). See also: <http://www.jcpenney.net/company/environmentalprinciples/mattersofprinciple.htm>

### **Labour Law Compliance**

JC Penney expects all its suppliers to take extra care, through monitoring or other means, to ensure that they and their contractors comply with applicable labour laws. This expectation is reflected in the terms of our purchase contracts.

We require all domestic suppliers to certify that the merchandise in each shipment they make to JC Penney was produced in compliance with the Fair Labour Standards Act and applicable regulations and orders of the U.S. Department of Labour. Of suppliers of JC Penney brand merchandise we additionally require that they identify all factories and contractors, domestic or foreign, they plan to use to produce such merchandise and certify in writing that each factory will operate in compliance with all applicable labour laws.

## 2. Jones Apparel Group Inc.

### 2.1. Executive Summary

Jones Apparel Group is a leading retailer in branded items of apparel and footwear.

The Jones Apparel Group has a Code of Conduct that outlines minimum labour conditions under which garments they sell must be produced. The Group has a Compliance Department that monitors the adherence of its suppliers to this code.

A case history shows that the Group has been responsive to some allegations of labour violations. Their Compliance Department can be contacted directly to discuss violations of its code of conduct.

### 2.2. Company Profile<sup>13</sup>

<b>Name:</b>	Jones Apparel Group, Inc.
<b>Business Address:</b>	250 Rittenhouse Circle Bristol, Pennsylvania 19007
<b>Telephone:</b>	(215) 785-4000
<b>Fax:</b>	(215) 785-4000
<b>Web site:</b>	www.jny.com
<b>Industry:</b>	Branded apparel, footwear, accessories, costume jewellery
<b>Logo:</b>	Jones Apparel Group, Inc.
<b>President, CEO, and Director</b>	Peter Boneparth
<b>African countries in the supply chain</b>	Egypt (12), Madagascar (10), Kenya (5), Mauritius (2), Lesotho (2)
<b>No. Employees</b>	22,500 (2004)
<b>Average growth of employees per year</b>	3,0%
<b>2005 Sales</b>	US\$ 5,074.2 millions
<b>1-Year Sales Growth</b>	9,1%
<b>2005 Net Income</b>	US\$ 274,3 millions
<b>1-Year Net Growth</b>	9,1%

<sup>13</sup> Hoovers, 2006, Jones Apparel Group, Inc., <[http://www.hoovers.com/jones-apparel/--ID\\_\\_14954--/free-co-factsheet.xhtml](http://www.hoovers.com/jones-apparel/--ID__14954--/free-co-factsheet.xhtml)>, (6 April 2006). They also made a licensing agreement with Ralph Lauren. With this licensing agreement Jones Apparel is allowed to sell Ralph Lauren's garments in their stores, but does not own the production of Ralph Lauren's garments.

## 2.3. Business and strategy

Jones Apparel Group has expanded through a policy of acquisition.

In 1993 the Jones Apparel Group bought the Evan-Picone label. In 1999 it bought the Nine West Group. In 2002 it bought Gloria Vanderbilt. In 2004 Jones Apparel Group bought Maxwell Shoe co.<sup>14</sup> In 2004, the company merged with Barneys New York. In 2006 Jones Apparel sold Sun Apparel, Inc.<sup>15</sup>

Today, Jones Apparel Groups owns more than 1,000 retail stores across the USA. Jones Apparel Group is mainly sold in other retail stores such as Marshall Fields. They are mainly in upper case malls as Jones Apparel is predominately high priced goods.

The Jones Apparel Group's main competitors are Brown Shoe, Ann Taylor and Liz Claiborne.

## 2.4. Business Activities

This section provides a detailed list of the main brand labels produced for and sold by the Jones Apparel Group:

Logo	Label
	Anne Klein Offers mainly sportswear and feminine clothing
	Bandolino Has denim line called bandolinoblu offering jeanswear.
Erika	Erika Offers clothes for women, including casual tops, skirts, pants, dresses and jackets.
	Offers variety off clothing, including skirts, suits, blouses, dresses, etc.
	GLO jeans Offers junior jeanswear

<sup>14</sup> NY job source, 6 September 2005, Jones Apparel Group, <http://nyjobsource.com/jonesny.html>, (24 April 2006).

<sup>15</sup> Marketwatch, 11 April 2006, Profile: Jones Apparel Group, <http://www.marketwatch.com/tools/quotes/profile.asp?sid=7684&symp=JNY&siteid=mktw>, (12 April 2006).

	Gloria Vanderbilt Offers feminine jeanswear.
	Jeanstar Offers feminine jeanswear.
	Kasper Offers two and three piece suitings as well as dresses.
	l.e.i. leading designer of trend-right clothing for teen girls everywhere.
	Nine West Offers footwear, handbags, footwear, dresses, eyewear, legwear, outerwear, belts, hats, etc.
Pappagallo	Pappagallo It specializes in Sports and leisurewear, underwear, military and hunting wear as well as in corporate promotional clothing and workwear as well as babywear, totalling 250 items.

## 2.5. Corporate Social Responsibility Policy

The Jones Apparel Group has a code of conduct specifying standards for contractors and suppliers throughout its entire supply chain. A text of this Code can be found in Section 2.9.

The Code of Conduct requires that suppliers meet all applicable laws and regulations of the country in which they operate regarding wages and working conditions, health and safety standards, and protection of the environment.

In line with International Labour Organisation Core Labour Standards, this Code of Conduct prohibits the use of child labour and forced labour, requires a policy of non-discrimination in the workplace, protects the freedom of workers to organise and bargain collectively.

All suppliers are expected to pass a social audit before they begin producing goods for the Jones Apparel Group. The penalty for a sub-contractor in their supply chain who is producing without a social audit is US\$ 10,000.<sup>16</sup>

<sup>16</sup> The company has teams of internal auditors who operate in China, Vietnam and Jordan. In Egypt, Kenya, Madagascar, Lesotho and Mauritius they work with external 'compliance specialists', including

## 2.6. Company Policy in the Case of Violations

The Code of Conduct makes it company policy *not* to work with contractors and suppliers who use violence, harassment or any other form of mental and physical coercion.

The company operates a score-card system to audit its suppliers and identify their risk of non-compliance with basic codes of conduct. Auditors rank companies as high, medium or low risk.

The Jones Group Compliance Department recommends that the company begins to 'disengage' from suppliers who have been identified as having a high risk two times.

The company works with the Solidarity Centre and the Workers' Rights Consortium to provide re-training' programmes for factory managers throughout it's supply chain.

## 2.7. Complaints and company reactions

The following cases document complaints against the Jones Apparel Group and responses by the company to violations of labour rights through its supply chain.

These cases show the Group to have been responsive to some allegations of labour violations.

The Group's Compliance Department recognises that violations of Worker Rights to Freedom of Association and Collective Bargaining is a key problem among its African suppliers.

### **Saipan**

In 2000, workers filed against twenty-two companies for violating the Fair Labour Standards Act and conspiring under the Racketeering Influenced Corrupt Organizations Act (RICO).<sup>17</sup> On April 2003, the U.S. Ninth Circuit Court of Appeals agreed with the workers.

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the pan-African NGO 'Africa Now' and the private auditing firm Global Social Compliance. For more information about the 'Ethical Business Service' run by Africa Now see: <http://www.africanow.org/ebs.htm>; For more information about Global Social Compliance see: <http://www.gsocialc.com/about.html>

<sup>17</sup> Hrw, 2001(??), Special issues and complaints, <http://www.hrw.org/wr2k1/print/full/issues.pdf>, (10 April 2006).

Defendants, including the Jones Apparel Group, agreed to pay US \$5.7 million to finance an independent monitoring program for working conditions in Saipan.<sup>18</sup>

### **China**

In April 2004 workers were arrested for protests against poor working conditions in factories owned by Stella International, a supplier for companies including Jones Apparel.<sup>19</sup> Some buyers, including Jones Apparel, added their name to a letter asking the Chinese authorities to show leniency towards the arrested workers.<sup>20</sup>

Workers arrested for their part in the protests walked free at the end of December 2004.<sup>21</sup>

### **Indonesia**

Jones Apparel was one of only two buyers that reacted to the closure of its supplier *PT Sarasa Nugraha Tbk* in February 2004.<sup>22</sup> The factory announced that it was closing operations some months after a collective bargaining agreement with factory workers.<sup>23</sup> Workers did not accept offers of compensation and demanded the re-opening of the factory.<sup>24</sup> Jones Apparel encouraged the factory management to reach a settlement with workers.

In December 2004 *PT Sarasa* announced that they would reopen in January 2005 and all 800 workers would be reinstated.

The Clean Clothes Campaign are continuing to monitor the situation at the factory to see if *PT Sarasa* lives up to its promises.<sup>25</sup>

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<sup>18</sup> Hrw, 2001, Litigation against apparel companies, Special issues and complaints, <http://www.hrw.org/wr2k1/print/full/issues.pdf>, (10 April 2006).

<sup>19</sup> No Sweat, November 2004, Chinese Shoe workers jailed for protest, <http://www.nosweat.org.uk/article.php?sid=1100>, (12 April 2006).

<sup>20</sup> No Sweat, November 2004, Chinese Shoe workers jailed for protest, <http://www.nosweat.org.uk/article.php?sid=1100>, (12 April 2006).

<sup>21</sup> Clean Clothes Campaign, July 2005, Landmark court decision for Chinese workers, [http://www.cleanclothes.org/ftp/CCC\\_newsletter\\_19.pdf](http://www.cleanclothes.org/ftp/CCC_newsletter_19.pdf), (12 April 2006).

<sup>22</sup> No Sweat, June 2004, Polo Ralph Lauren in Indonesia: action request, <http://www.nosweat.org.uk/article.php?sid=963>, (12 April 2006).

<sup>23</sup> No Sweat, June 2004, Polo Ralph Lauren in Indonesia: action request, <http://www.nosweat.org.uk/article.php?sid=963>, (12 April 2006).

<sup>24</sup> Clean Clothes Campaign, 2 November 2004, Settlement reached in *PT Sarasa* case, <<http://www.cleanclothes.org/urgent/04-11-02.htm>>, (4 July 2006).

<sup>25</sup> CCC, Nov. '02, Settlement reached in *PT Sarasa* case, <http://www.cleanclothes.org/urgent/04-11-02.htm>, (20 April 2006).

## **Jordan**

The *Al Safa Garments Factory* produces goods for the Jones Apparel Group under its Gloria Vanderbilt label. In 2004 working and living conditions at the site were widely reported as unacceptable and workers seeking to make complaints were threatened. There were several reported cases of rape and in 2005 a young women worker committed suicide after being raped by a factory manager.

A spokeswoman for Jones Apparel confirmed that they found "serious problems" at a factory producing for Gloria Vanderbilt and said that they would "monitor the situation closely."<sup>26</sup>

## **Madagascar**

The *Cote Sud* factory in Madagascar produced trousers for Gloria Vanderbilt, a brand owned by the Jones Apparel Group. The *Cote Sud* factory stands accused of regularly dismissing workers who are workers representatives, fall ill or pregnant.<sup>27</sup>

Jones Apparel has been very slow to take action against allegations of malpractice here. They did little to secure the reinstatement of one women worker whose case for unfair dismissal was brought to the Ministry of Labour in Madagascar who ordered her reinstatement. In the end she was forced to sign a resignation agreement as Jones did not fulfil their promise to make sure she got reinstated.

The company has stated that they will continue to monitor labour violations at the *Cote Sud* factory.<sup>28</sup>

## **2.8. What Can Be Done?**

What can be done when there is a problem in a factory producing for Jones Apparel Group?

This section provides the available contact information and explains the company's procedure.

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<sup>26</sup> Steven Greenhouse & Michael Barbaro, 3 May 2006, An ugly side of free trade: sweatshops in Jordan, <<http://www.nytimes.com/2006/05/03/business/worldbusiness/03clothing.html?ex=1304308800&en=a9fe49757426d3c3&ei=5088&partner=rssnyt&emc=rss>>, (9 May 2006).

<sup>27</sup> Clean Clothes Campaign, May 2006, Mother's day: support the illegally dismissed worker Nisa in Madagascar, <http://www.cleanclothes.org/urgent/06-05-12.htm>, (16 May 2006).

<sup>28</sup> Clean Clothes Campaign, 21 June 2006, Settlement reached in Cote Sud case, <<http://www.cleanclothes.org/urgent/06-06-21.htm>>, (27 June 2006).

**Who to contact?**

Telephone or email the Compliance Department for Jones Apparel Group, based in Philadelphia, the United States.

**Who are they?**

The Compliance Department has 22 staff members responsible for overseeing the compliance of suppliers to Jones Apparel Group with the company's code of conduct.

**How to contact them?**

Emails and telephone calls can be made directly to the Compliance Department and a representative is likely to respond in person.

<b>Name</b>	Desta A. Raines
<b>Position</b>	Manager, Corporate Compliance
<b>Address</b>	250 Rittenhouse Circle Bristol, PA 19007
<b>Telephone</b>	001 215 826 6747
<b>Email</b>	draines@jny.com

**What to say**

There is no official format or form for making complaints about labour practices and working conditions to the Jones Apparel Group Compliance Department.

**Will they use their influence?**

The Compliance Department is becoming more high profile within the Jones Apparel Group. Production departments increasingly ask for advice before making decisions on sourcing goods from a supplier or a country and the Compliance Department makes internal recommendations about supply decisions.

## 2.9. Annex

### a. *Jones Apparel Group Standards for Contractors and Suppliers*

#### **Extracts from sections related to labour conditions and supplier relations**

Jones Apparel Group, Inc. [...] require our suppliers and contractors to comply with all applicable laws and regulations of the country, or countries, in which they are conducting business.

#### **Child Labour**

Contractors and suppliers must not use child labour, defined as workers under the age of 14.

#### **Wages/Benefits**

Employees must be compensated for all hours worked, at rates that meet the national minimum standards or local industry standards, whichever is higher. Overtime must be compensated at legally mandated rates, or at a rate at least equal to the regular hourly wage. Employees must be provided all legally mandated benefits.

#### **Working Hours/Day Off**

On a regular basis, employees shall not be required to work more than the lesser of 60 hours per week, including overtime, or the amount specified by the applicable labour code. Workers shall have at least one day of rest in every seven.

#### **Health & Safety**

Health, safety and other workplace environment conditions must meet all applicable laws and regulations, including those for worker housing where provided.

#### **Forced Labour**

Our contractors and suppliers must not utilize forced labour, prison labour or other compulsory labour, or purchase materials from suppliers using forced labour, prison labour or other compulsory labour.

#### **Discrimination**

Contractors and suppliers must not discriminate against employees or potential employees in employment practices, including hiring, wages, benefits, advancement, disciplinary procedures, termination or retirement, on the basis of gender, race, religion,

age, disability, nationality, political opinion, sexual orientation, ethnic origin, maternity or marital status.

### **Disciplinary Practices**

Jones will not utilize contractors or suppliers who use corporal punishment or any form of mental or physical coercion or harassment.

### **Freedom of Association**

Employees should be free to join organizations of their own choice. Employees should not be subject to intimidation or harassment in the exercise of their right to join (or to refrain from joining) any organization. Where the right to freedom of association and collective bargaining is restricted under law, the employer should take steps to create an open means of communication for employees to discuss issues and express concerns in a positive environment.

## 3. Sears Holdings Corporation

### 3.1. Executive Summary

The Sears Holdings Corporation is the USA's third largest retailer, selling garments, tools and home electronics.

A number of cases involving Kmart and Sears, Roebuck and Co. that merged to create the Sears Holding Corporation in 2005, show the company has a poor history of action in response to reports of working conditions through their supply chains.

The Sears Holding Company has proved responsive when targeted by legal action and media coverage. Sears cannot be contacted directly to discuss violations of its code of conduct.

### 3.2. Company Profile

<b>Name:</b>	Sears Holdings Corporation
<b>Business Address:</b>	3333 Beverly Road Hoffman Estates, IL 60179
<b>Telephone:</b>	847-286-2500
<b>Fax:</b>	
<b>Web site:</b>	www.searsholdings.com
<b>Industry:</b>	Retail (Department & Discount)
<b>Logo:</b>	
<b>Chairman</b>	Edward S. (Eddie) Lampert
<b>President, CEO, and Director</b>	Aylwin B. Lewis
<b>No. Employees (2005)</b>	
<b>Average growth of employees per year</b>	6.6%
<b>2005 Sales</b>	US\$ 49,124.0 (million)
<b>1-Year Sales Growth</b>	149.3%
<b>2005 Net Income</b>	US\$ 858.0 (million)
<b>1-year Net Growth</b>	22.4%

### 3.3. Business and Strategy

In March 2005 two separate companies - Sears Roebuck & Co and Kmart – merged to form Sears Holdings, the third largest retailer in the United States.

Sears Holding Corporation owns both companies, which continue to operate under their individual brand names.

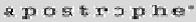
Sears Holding Corporation now operates some 3,400 stores and retailers across the United States.

### 3.4. Business Activities

This section provides a detailed list of the main brand labels now produced for and sold by the Sears Holding Corporation.

		<p><b>Thalia Sodi</b> This brand offers jeans, jackets, tops, pants and skirts for teenagers. It also has within its collection plus sizes for women. Sold at K-Mart.</p>
		<p><b>Jaclyn Smith</b> It offers tops, jackets, skirts, pants, outerwear, sweaters and plus sizes for women. Sold at K-Mart.</p>
		<p><b>Route 66</b> It women's collection includes tops, jeans, jackets, pants, skirts, sweaters and outerwear. For men, it offers jeans, jackets, casual shirts and sweaters. This brand provides men's and women's plus sizes. Sold at K-Mart.</p>
		<p><b>Joe Boxer</b> It offers clothing for men's and women's and bedding. The men's collection includes loungewear and underwear. For women it offers active wear and sleeping wear. Sold at K-Mart</p>

	<p><b>Kathy Ireland</b> The apparel products of the brand encompasses swimwear, shirts, blouses, t-shirts and sweaters, jeans &amp; pants</p>
<p><b>North West Territory</b></p>	<p>Offers outdoors clothing and camping.</p>
<p><b>Basic Editions</b></p>	<p>In its collection offers classical apparel for women, men and teenagers.</p>
<p><b>Athletec</b></p>	<p>Includes sportive apparel for men and women</p>
	<p><b>Martha Stewart</b> Offers advice and products for cooking and entertainment, home and garden, crafts, holidays, weddings and children.</p> <p><b>Martha Stewart Everyday</b> Within its apparel collection, Martha Stewart offers bedding and bath. Sold at K-Mart</p>
<p><b>LANDS' END</b></p>	<p><b>Lands' End clothing</b> Is specialized in casual clothing for men, women and children, luggage and home furnishing. Sold at Sears.</p>
	<p><b>Covington</b> This brand includes clothing for boys and girls over 4 years old. Clothing for men and women in all sizes. It also has a line of shoes. Sold at Sears.</p>
	<p><b>TKS Basics</b> This brand focuses in clothing for newborns and children. It includes: t-shirts, sweaters, jackets, trousers, etc. Sold at Sears.</p>
	<p><b>Canyon River Blues</b> This brand includes apparel for children, teenagers, men, women and bedding. It also has a line of shoes for girls and women. Sold at Sears.</p>
<p><b>STRUCTURE</b></p>	<p><b>Structure</b> It is a brand specialized in men apparel. It includes: shirts, pants, sweaters, jackets, and t-shirts. Sold at Sears.</p>
	<p><b>A-line</b> Is specialized in apparel for women in all sizes. Sold at Sears.</p>

	<p><b>Apostrophe</b> This brand is specialized in clothing for women. It includes jackets, coats, blouses, trousers, and shoes. Sold at Sears.</p>
	<p><b>Hanes Classics</b> This brand is specialized in intimate apparel for men and socks. Sold at Sears.</p>
	<p><b>French Toast School Uniforms</b> Is specialized in school uniforms for kids and teenagers. Sold at Sears.</p>

### 3.5. Corporate Social Responsibility Policies

Sears Holding Company has two codes of conduct, a set of Import-Buying Policies/Procedures, and a code on forced labour that applies only to China.<sup>29</sup>

All international purchasing agreements with the Sears Holding Corporation refer suppliers to its 'Import-Buying Policies and Procedures'. The code demands strict adherence to local laws on working conditions and production methods and covers labour conditions and human rights in line with ILO conventions. The text of this code can be found in Section 3.9.

This code of context applies to the business behaviour of all major subsidiaries.

### 3.6. Company Policy in the Case of Violations

It is Sears company policy that a violation of the code implies the termination of business relations.<sup>30</sup>

Sears Holding Corporation operates a Department of Business Ethics that address problems arising in its international supply chain, and a Business Practices Committee to provide management with information on compliance issues.

The Code of Conduct lays down a set of standard procedures to report violations of its code and makes promises of confidentiality. A 24-hour Business Ethics Telephone

<sup>29</sup> The Sears Holding Company has created a specific Code of Conduct for its suppliers in China that prohibit forced labour or the use of prisoners in compliance with the United States legislation. Ibid.

<sup>30</sup> Jean-Paul Saihau, 'Business Ethics in the Textile and footwear industries', International Labour Organization, 2000, <http://www.ilo.org/public/english/dialogue/sector/papers/bzethics/bthics8.htm>, (October 21 2005)

Hotline is operated by a private reporting company for employees who wish to report a violation of its code.

### 3.7. Complaints and Company Reactions

The following cases document complaints against the Sears Holding Corporation and responses by the company to violations of labour rights through its supply chain.

A number of cases involve the two companies - Kmart and Sears, Roebuck and Co. – that merged to create the Sears Holding Corporation in 2005.

The cases suggest that these companies made little or no practical response allegations over working conditions through their supply chains. Since their merger, the Sears Holding Company has been responsive when targeted by legal action and media coverage.

#### USA

Kmart was the subject of numerous lawsuits during the 1990s over the terms and conditions under which it employed workers in the United States. These included cases related to discrimination against its predominantly African-American workforce.<sup>31</sup>

Kmart workers in the US have been able to win improvements in wages and benefits through grassroots campaigns that mobilised churches, religious leaders, regional unions, and common citizens in non-violent campaigns.<sup>32</sup>

#### Philippines

In 2003 reports emerged of violations of core labour standards in factories operated by *Gelmart Industries Inc*, which specialized in the manufacturing and distribution of apparel brands for companies including the Sears company, Kmart.

In 2005, Sears Holdings Corporation promised a thorough investigation of the case although no evidence of an enquiry or any subsequent reactions from the company have been made public.<sup>33</sup>

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<sup>31</sup> Joan Paltrineri & Peter Thierjung, 'Kmart workers fight for Union Contract', 25/12/95, [http://www.themilitant.com/1995/5948/5948\\_20.html](http://www.themilitant.com/1995/5948/5948_20.html), (3 October 2005)

<sup>32</sup> Greensboro Justice Fund, GJF Newsletters, "Greensboro Kmart Workers Win a Contract!", October 1996, <http://www.gjf.org/index.php?page=newsletter2>, November 2005; Sweatshop Watch, nd, <http://www.sweatshopwatch.org/index.php?s=54>, (21 March 2006); George Anderson, "Kmart accused of Age Discrimination", Retail Wire, 07/09/04, [http://www.retailwire.com/Discussions/Sngl\\_Discussion.cfm/9982](http://www.retailwire.com/Discussions/Sngl_Discussion.cfm/9982), (7 October 2005).

<sup>33</sup> Business & Human Rights, 27 April 2005, <<http://www.business-humanrights.org/Search/SearchResults?SearchableText=gelmart>>, (10 November 2005).

## **China**

There are continued reports of factories operating in China where working conditions violate internationally accepted labour standards.<sup>34</sup>

Following protests to improve working conditions in factories owned by Stella International - a supplier of product lines to Sears, Roebuck & Co, among others – China Labour Watch wrote letters to the major foreigner buyers using these facilities, including Sears.<sup>35</sup> Buyers were urged to exert pressure on the manufacturing company to help free workers arrested in the protests, to improve labour conditions in these factories and to take action to prevent similar incidents. Major companies - including such as Nike, Reebok and Timberland – responded with letters to the Chinese authorities.<sup>36</sup>

There was no public response from Sears, Roebuck & Co or, following its merger with Kmart, from the Sears Holding Corporation.<sup>37</sup>

## **Thailand**

There was no public intervention from the Sears Holding Company to anti-union practices reported in 2001 at the *Gina Form Bra Company Ltd* in Thailand, which produced apparel for Kmart among others. The factory has been certified under WRAP (Worldwide Responsible Apparel Production).

Since 2003, a collective bargaining agreement between the Gina Workers Union and factory management has been in place.<sup>38</sup> The agreement has been mediated by the Thai Ministry of Labour.<sup>39</sup>

## **El Salvador**

Kmart and Sears, Roebuck and Co have failed to respond to allegations that workers rights to organise freely were being violated at Taiwanese and South Korean owned factories that manufactured clothing for their product lines.<sup>40</sup>

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<sup>34</sup> Global Exchange, "Human Rights Principles for US Business in China" , April 1<sup>st</sup> 2005, <http://www.globalexchange.org/campaigns/sweatshops/china/> , (3 October 2005).

<sup>35</sup> China Labour Watch, 17 November 2004, "Five Selina Workers Were Sentenced to Up to Three Years" Imprisonment", [http://www.chinalabourwatch.org/en/web/article.php?article\\_id=50220](http://www.chinalabourwatch.org/en/web/article.php?article_id=50220), (27 March 2006).

<sup>36</sup> China Labour Watch, 1 January 2005, "The Chinese Government Changes its Verdict and Sets the Workers Free", [http://www.chinalabourwatch.org/en/web/article.php?article\\_id=50239](http://www.chinalabourwatch.org/en/web/article.php?article_id=50239), (27 March 2006).

<sup>37</sup> China Labour Watch, "Five Selina Workers Were Sentenced to Up to Three Years", 17 November 2004, [http://www.chinalabourwatch.org/en/web/article.php?article\\_id=50220](http://www.chinalabourwatch.org/en/web/article.php?article_id=50220), (24 October 2005).

<sup>38</sup> TIE-Asia, 'Appeal for Action from Gina Relation Labour Union: Thailand', November 2004, <http://www.cleanclothes.org/urgent/02-11-27.htm>, (7 October 2005).

<sup>39</sup> TIE-Asia, 'Campaigns', [http://www.tieasia.org/TEXT/text\\_Gina.htm](http://www.tieasia.org/TEXT/text_Gina.htm).

<sup>40</sup> See: National Labour Committee, "Worker Rights in the Americas? A Rare Inside Glimpse Report",

## Lesotho

The Nien Hsing Textile Company operates two factories in Lesotho producing jeans for clients, including Sears.

Complaints against the company by workers include unpaid benefits, verbal harassment, physical abuse, locked emergency exits, unsafely health conditions, unlawful and arbitrary dismissals, and discrimination against and unjust firings of union supporters.

In 2001, the Lesotho Clothing and Allied Workers Union (LECAWU) contacted the Maquila Solidarity Network (MSN) and the North American garment workers' union UNITE, requesting support for workers.<sup>41</sup> With the support of the Ethical Trading Action Group (ETAG) and the Clean Cloths Campaign, the union presented its case to two main buyers: Gap and the Hudson Bay Company.

Through a management-union dialogue facilitated by Gap, in December 2002 the LECAWU finally signed agreements recognizing their union at both factories.<sup>42</sup> Sears, Roebuck and Co. did not participate in this process.<sup>43</sup>

## Namibia

Ramatex is a Malaysian-owned manufacturing company producing for buyers that included buyers including Sears, Roebuck and Co. The company's operations in Namibia have been the subject of continued allegations concerning the violation of labour standards.

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May 2001, <http://www.nlcnet.org/campaigns/archive/elsalvador/0401/leader.shtml> , (17 October 2005); Resource Center of the Americas, "Two Unionized Maquilas Closed", [http://www.americas.org/item\\_12294](http://www.americas.org/item_12294), (17 October 2005); Henry Frundt, "Trade Conditions and Labour Rights: U.S. Initiatives, Dominican and Central American Responses", in Gabo case, 1998, <http://www.upf.com/content/FrundtChap1.pdf>, (17 October 2005); Farhan Haq, 'El Salvador becoming Gian Sweatshop, Group Charges', January 1997, Albion Monitor News, <http://www.monitor.net/monitor/9701b/salvadorsweatshop.html>, (21 October 2005); Human Rights, 'El Salvador: Government Ignores Widespread Labour Abuses CAFTA must include strong protection for workers' rights, Global Policy Forum, 4 December 2003, <<http://www.globalpolicy.org/socecon/inequal/labour/2003/1204elsalvador.htm>>, (12 October 2005); hrw.org, Corporate ties to Salvadoran factories, <[http://hrw.org/reports/2003/elsalvador1203/13.htm#\\_ftn413](http://hrw.org/reports/2003/elsalvador1203/13.htm#_ftn413)>, (27th of February 2006).

<sup>41</sup> B. Jeffcot, L. Lampriere, G. Marman, L. Yanz, M.Young, Brand campaigns & worker organizing Lessons from Lesotho, Thailand and Honduras (Toronto, Maquila Solidarity Network, September 2005), p. 1-19.

<sup>42</sup> SOMO et al., "Asian multinationals in Africa Information and strategy guide", 2005, [http://www.somo.nl/html/paginas/pdf/Garment\\_workers\\_africa\\_booklet1\\_NL.pdf](http://www.somo.nl/html/paginas/pdf/Garment_workers_africa_booklet1_NL.pdf), (November 2005), p.11.

<sup>43</sup> B. Jeffcot, L. Lampriere, G. Marman, L. Yanz, M.Young, Brand campaigns & worker organizing Lessons from Lesotho, Thailand and Honduras ( Toronto, Maquila Solidarity Network, September 2005), p. 1-19.

In 2005 following efforts by the International Textile Garment and Leather Workers' Federation (ITGLWF) Ramatex accepted demands to improve working conditions in its factories.<sup>44</sup> In 2006 the Malaysian owners threatened to close the unit claiming poor productivity and operational losses as a result of union actions.<sup>45</sup>

There has been no public reaction from the Sears Holding Company to the case.

### **American Samoa**

The U.S. Department of Labour has repeatedly fined *Daewoosa Samoa* – a company that employs young Vietnamese women to produce garments for Sears, Roebuck & Co, among others - for violating the Fair Labour Standards Act.

In 2000 the U.S. Department of Labour confiscated Daewoosa garments. The company refused to pay its employees and shut down the factory.<sup>46</sup>

In 2002, the High Court of American Samoa ordered Daewoosa to pay \$3.5 million to its workers.<sup>47</sup> Sears has not taken any responsibility for the conditions under which their clothes were made.<sup>48</sup>

### **Saipan**

In 1999 garment workers together with Sweatshop Watch, the Asian Law Caucus, Global Exchange and UNITE sued top U.S. clothing companies, including the Sears Holding Corporation, over the sweatshop working conditions in their Saipan based producers.<sup>49</sup>

26 of America's biggest clothing retailers and 23 garment manufacturers reached a landmark settlement in the Saipan sweatshop lawsuits. In 2003 the federal court in Saipan agreed on a US\$20 million settlement to be paid by these companies, including the Sears Holding Corporation, to 30,000 workers

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<sup>44</sup> UN office for the Coordination of Humanitarian Affairs, IRINnews.org, "Namibia: Giant textile firm agrees to improve workers' conditions", <http://www.irinnews.org/print.asp?ReportID=45429>

<sup>45</sup> Namibian news, 1 June 2006, A thread of hope for Ramatex, <http://www.namibian.com.na/2006/June/national/0626BCA93C.html>, (13 June 2006).

<sup>46</sup> Clean Clothes Campaign, "Troubled Garment Factory on American Samoa Shuts Down Leaving Workers Stranded without Work or Food", 6 February 2001, <http://www.cleanclothes.org/urgent/01-02-06.htm> (October 20 2005)

<sup>47</sup> Sweatshop, "Samoa Garment Workers Win Class-Action Lawsuit, Sweatshop Watch Newsletter, 2002, vol.8, No2 in Clean Clothes Campaign, <http://www.cleanclothes.org/urgent/02-08-07.htm>, (October 21 2005)

<sup>48</sup> David Fickling, "Misery of rag-trade slave in America's Pacific outpost – Slaves Used to Make Cloths for Sears and JC Penney", Cloths for A Change, 1 March 2003, [http://www.organicconsumers.org/clothes/031803\\_sweatshop\\_jc\\_penney.cfm](http://www.organicconsumers.org/clothes/031803_sweatshop_jc_penney.cfm), (October 21 2005).

<sup>49</sup> Bill Hynd (ed), 'Don't close your eyes to sweatshops abuses.... Exploitation is never fashion', OXFAM-Canada, 2002, <http://www.oxfam.ca/campaigns/downloads/OxCampFall2000.pdf>, (October 2005).

The landmark settlement approved the development of an independent monitoring system to ensure compliance with strict labour standards and end the sweatshop abuse.<sup>50</sup> Though agreeing with the settlement, companies admitted no wrongdoing.

### 3.8. What Can Be Done?

What can be done when there is a problem in a factory producing for Sears?

This section provides the available contact information and explains the company's procedure.

#### **Who to contact?**

Telephone the Sears Holding Corporation telephone hotline in the United States, and leave a detailed description of the reported violations, names of the supplier and contact information.

Alternatively, try to contact to the company's Global Compliance Manager in Hong Kong or the company's Department of Ethics and Business Practices.

#### **Who are they?**

Sears' Ethics Hotline is operated by a private third party. The hotline is manned 24 hours a day, and an operator will take full details of the violation to be reported and the location, and contact details. They enter details into a computer database and forward the information directly to Sears by email.

#### **How to contact them?**

<b>Telephone Hotline</b>	001-800-8277478
<b>Department of Ethics and Business Practices</b>	001-847-2862500
<b>Ian Spalding, Global Compliance Manager</b>	00852-2823-4403

#### **What to say?**

There is no format for reporting violations but the following information is helpful.

- A description of labour rights violations that have occurred, including the dates on which they occurred and details of local labour laws that have been broken.

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<sup>50</sup> Sweatshop Watch, 'Recent Accomplishments Holding Retailers Accountable', <http://www.sweatshopwatch.org/index.php?s=54>, (October 12 2005)

- ❑ The name, address, and contact information (fax, phone, e-mail) of the factory/workplace involved.
- ❑ The name and contact information of the owner of the workplace.
- ❑ The names of any known companies or brands that the factory produces goods for.
- ❑ The country/ countries where goods are exported to.
- ❑ A summary of workers' demands.
- ❑ The name and contact information of the organization/s seeking assistance and their relationship to the workers involved.

***Will they use their influence?***

Sears did not respond to enquiries for information and there is no public information about their influence on sourcing or supply chain decisions.

### 3.9. Annexes

#### a. *Sears Holdings Corporation Code of Conduct*<sup>51</sup>

##### Extracts from sections related to labour conditions and supplier relations

###### **Introduction**

The Code applies to all directors, officers and associates of the Company and its wholly-owned subsidiaries, including Sears, Roebuck and Co., Kmart Holding Corporation and their subsidiaries.

###### **Vendor Standards / Supplier Standards**

SHC is committed to doing business with vendors who conduct business ethically and legally. SHC vendors are expected to sign SHC's Vendor Business Practice Statement. SHC may terminate its business relationship with any vendor refusing to sign or comply with SHC's Vendor Business Practice Statement.

###### **Fair Employment Practices and Diversity**

SHC is fully committed to equal employment opportunity and compliance with the letter and spirit of the full range of fair employment practices and nondiscrimination laws, including all wage and hour laws. SHC prohibits any "off the clock" work, and strictly forbids conduct by associates that may encourage the inaccurate recording of time.

###### **Harassment**

SHC associates have the right to work in an environment free from discrimination, harassment and intimidation, whether committed by or against a co-worker, supervisor, customer, vendor or visitor. Harassment, whether based on a person's gender, sexual orientation, race, ethnicity, religion, national origin, citizenship, age, disability, socioeconomic status or marital status, is repugnant and completely inconsistent with SHC's commitment to provide a respectful, professional and dignified workplace.

Discrimination in any area of employment, including hiring, advancement, compensation, discipline, and termination, will not be tolerated. SHC also prohibits any associate from making any claim known by that associate to be false.

###### **Safe and Healthy Workplace**

To meet our responsibilities to associates, customers, and investors, SHC must maintain a healthy and productive workplace. Associates must report all safety concerns or

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<sup>51</sup> <http://www.searsholdings.com/govern/code.htm>

accidents no matter how slight the problem. Violence or the threat of violence will not be tolerated, whether committed by or against a co-worker, supervisor, customer, vendor or visitor.

Misusing controlled substances or selling, manufacturing, distributing, possessing, using or being under the influence of alcohol or illegal substances on the job is absolutely prohibited.

## 4. Target

### 4.1. Executive Summary

Target is the United States second largest retail chain.

Target has been involved in several cases concerning the violation of labour standards in its supply chain.

A case history suggests that Target has made little or no practical response to complaints and allegations about working conditions in its supply chain. Target's Compliance Department can be contacted directly to discuss violations of its code of conduct.

### 4.2. Company Profile<sup>52</sup>

<b>Business Address:</b>	ABN 75 004 250 944 12-14 Thompson Road North Geelong Vic 3215
<b>Telephone:</b>	(03) 5246 2000
<b>Fax:</b>	612/304-6073
<b>Web site:</b>	<a href="http://www.target.com">http://www.target.com</a>
<b>Industry:</b>	Retail
<b>Logo:</b>	
<b>Chairman &amp; CEO</b>	Bob Ulrich
<b>President</b>	Gregg Steinhafel
<b>African countries in the supply chain</b>	
<b>No. Employees</b>	292,000 (2005)
<b>Average growth of employees per year</b>	11,0%
<b>2005 Sales<sup>53</sup></b>	US\$ 52,620 (millions)
<b>1-Year Sales Growth</b>	12,3%

<sup>52</sup> Hoovers, 2006, Target Corporation, [http://www.hoovers.com/target/--ID\\_10440--/free-co-factsheet.xhtml](http://www.hoovers.com/target/--ID_10440--/free-co-factsheet.xhtml), (24 April 2006).

<sup>53</sup> Target, 6 April 2006, Financial summary, [http://sites.target.com/images/corporate/about/pdfs/corp\\_factcard\\_040606.pdf](http://sites.target.com/images/corporate/about/pdfs/corp_factcard_040606.pdf), [www.target.com](http://www.target.com), (24 April 2006).

<b>2005 Net Income</b>	US\$ 2,408,0 (millions)
<b>1-year Net Growth</b>	24,7%

### 4.3. Business and Strategy

The Target Corporation is the United States second largest discount retail chain. In 2005 Target had 1,397 stores across the US. The company's retail outlets sell its own brands of clothing and other global brand labels via a licensing agreement.

Target has increased its market share through merges and acquisitions, innovation in retail and investments in their supply chain.<sup>54</sup>

The Target Corporation sources its products from its global suppliers through a subsidiary company, Target Sourcing Services/Associated Merchandising Corporation (TSS/AMC).

Target's main competitors are Wal-Mart, Kmart (owned by Sears) and Costco Wholesale.

### 4.4. Business Activities

This section provides a detailed list of the main brand labels produced for and sold by the Target Corporation.

	Amy Coe Sells clothing for all ages, also maternity clothing.
<b>Merona</b>	Merona Producing women's wear, including shorts, skirts, pant and shoes.
Isaac Mizrahi	Isaac Mizrahi Women's clothing, including dresses, shirts, skirts, shoes and suitings. Isaac Mizrahi produces a mass-line clothing for Target, but has an ultra-luxe fashion label for Bergdorf Goodman.
	Cherokee Infant's, men's and women's clothing and footwear.

<sup>54</sup> Target, Annual report 2005, 29 March 2006, <http://investors.target.com/phoenix.zhtml?c=65828&p=irol-reportsAnnual>, (12 June 2006).

	Pro Spirit Producing sportswear for women.
	Xhilaration Producing women's wear, handbags and other fashion accessories
	Nick + Nora Clothing for newborn and little kids, including pyama, etc.
	Liz Lange Sells maternity clothing, women's jackets.
<b>GoFit</b>	GoFit Neoprene Sportswear for men and women
<b>Gilligan &amp; O'Malley</b>	Gilligan & O'Malley Producing women's clothing, Shoes accessories and women's underwear.
<b>Utility</b>	Utility Producing casual men's clothing f.e. shirts.
<b>Circo</b>	Circo Clothing for boys and girls from toddler age untill school age. Clothing include shirts, skirts, jackets, footwear, etc.
	Dottie Loves Clothing for girls, including shorts, tops, etc.
	Genuine Kids from Oshkosh Children's clothing, including shorts, shirts, dresses and pants.

#### 4.5. Corporate Social Responsibility Policy

Target has a Code of Conduct for their suppliers. The code requires that products produced for Target meet all national and international legislation. The text of this code can be found in Section 4.9.

Target seeks to ensure the compliance of its suppliers through educational programs, random, unannounced audits, and post-audit evaluations,

Target also publishes an annual Corporate Social Responsibility report.

## 4.6. Company Policy in the Case of Violations

The Target Corporation operates a Compliance Department to monitor the application of standards through this supply chain.

The Target Corporation states the failure to comply with company policy and supplier standards will be directly investigated.

The company states that it is prepared to take corrective action in the case of violations of American or local laws, with outcomes ranging from administrative probation to termination of business relations.

The Target Corporation has a standard complaints procedure for employees who wish to report a violation of their code of conduct. Employees are encouraged to report any situation that may violate the law or company policy, and there is an international telephone hotline.

The Target Corporation offers no detailed guidance for third parties who wish to report violations at a factory in the supply chain.

## 4.7. Complaints and Company Reactions

The following cases document complaints against Target and responses by the company to violations of labour rights through its supply chain.

The cases show that Target has made little or no practical response to complaints and allegations over working conditions through its supply chain.

### **China**

Suppliers for Target in Guandong, China, have been accused of violating Chinese law on minimum wages and overtime payments for workers.<sup>55</sup>

Target has made no response to the allegations and the company has made no public effort to improve the situation for workers at its Chinese suppliers.

### **Saipan**

In 1999 garment workers together with Sweatshop Watch, the Asian Law Caucus, Global Exchange and UNITE sued top U.S. clothing companies, including Target, over the sweatshop working conditions in their Saipan based producers.<sup>56</sup>

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<sup>55</sup> Co-op America, 1 October 2005, Sweatshop labour, <<http://www.coopamerica.org/programs/rs/profile.cfm?id=295>>, (14 June 2006).

<sup>56</sup> Bill Hynd (ed), 'Don't close your eyes to sweatshops abuses.... Exploitation is never fashion', OXFAM-

26 of America's biggest clothing retailers and 23 garment manufacturers reached a landmark settlement in the Saipan sweatshop lawsuits. In 2003 the federal court in Saipan agreed on a US\$20 million settlement to be paid by these companies, including Target, to 30,000 workers

The landmark settlement approved the development of an independent monitoring system to ensure compliance with strict labour standards and end the sweatshop abuse.

<sup>57</sup>

Though agreeing with the settlement, companies admitted no wrongdoing.

### **Jordan**

The *Al Safa Garments Factory* and the *Atateks Garment Factory* in Jordan have both been the subject of high profile media campaigns against unacceptable working and living conditions.<sup>58</sup>

Target have responded to allegations of sweatshop abuses with a written statement saying it would "investigate" working conditions in Jordan.<sup>59</sup> The company has stated that it is "committed to taking corrective action - up to and including termination of a relationship - for vendors who violate the law or our Standards of Vendor Engagement."<sup>60</sup>

### **Namibia**

Ramatex is a Malaysian-owned manufacturing company that produces for buyers including Target. In January 2005 - following protests over labour standards and the efforts of the International Textile Garment and Leather Workers' Federation (ITGLWF) who contacted the Government of Namibia and US companies that buy from Ramatex - Ramatex accepted demands to improve working conditions in its factories.<sup>61</sup>

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Canada, 2002, <http://www.oxfam.ca/campaigns/downloads/OxCampFall2000.pdf>, (October 2005).

<sup>57</sup> Sweatshop Watch, 'Recent Accomplishments Holding Retailers Accountable', <http://www.sweatshopwatch.org/index.php?s=54>, (October 12 2005)

<sup>58</sup> National Labour Committee, May 2006, U.S. Jordan free trade agreement; descends into human trafficking & involuntary servitude, <<http://www.nlcnet.org/faxes/jordan/report.pdf>>, (9 May 2006); and [http://www.nlcnet.org/live/admin/media/document/ReportPDF/Jordan\\_Update\\_0609/Update\\_Final\\_2.pdf](http://www.nlcnet.org/live/admin/media/document/ReportPDF/Jordan_Update_0609/Update_Final_2.pdf)

<sup>59</sup> Wal-Mart Watch, 6-5-2006, Breaking news: congress requests investigation on Jordan sweatshops, <[http://walmartwatch.com/blog/archives/congress\\_requests\\_investigation\\_on\\_jordan\\_sweatshops/](http://walmartwatch.com/blog/archives/congress_requests_investigation_on_jordan_sweatshops/)>, (8 May 2006).

<sup>60</sup> <http://www.business-humanrights.org/Documents/Target-response-re-Jordan-factories-17-Oct-2006.doc>

<sup>61</sup> UN office for the Coordination of Humanitarian Affairs, IRINnews.org, "Namibia: Giant textile firm agrees to improve workers' conditions", <http://www.irinnews.org/print.asp?ReportID=45429>

In 2006 the Malaysian owners threatened to close the unit claiming poor productivity and operational losses as a result of union actions.<sup>62</sup>

No reaction of Target can be found to the case.

### **Guatemala**

Until 2005 the South Korean owned Nobland factory in Guatemala produced garments for retailers including Target.<sup>63</sup>

In 2003, the Guatemalan government found the Nobland factory guilty of anti-union activities. The government did not enforce its verdict, however, and the government did nothing to pressure the factory to change the terms and conditions of work there.

Retailers, including Target, continued to source their clothing from the factory, and reacted very slowly to the allegations.<sup>64</sup> In June 2005 however the factory was abruptly closed.<sup>65</sup>

### **El Salvador**

Taiwanese and South Korean owned manufacturing companies operate in El Salvador, producing garments for a range of buyers including Target.<sup>66</sup>

*Leader Garment S.A. De C.V.* is a Taiwanese owned company producing clothing for Sears' label Bold Spirit. In March 2001, the US National Labour Committee exposed a range of labour abuses at the factory including the forced confinement of workers, mandatory pregnancy testing, and violations of freedoms of association.<sup>67</sup>

There is no evidence of any public reaction by Target to the allegations or of any action to change labour conditions among its suppliers in El Salvador.

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<sup>62</sup> Namibian news, 1 June 2006, A thread of hope for Ramatex, <http://www.namibian.com.na/2006/June/national/0626BCA93C.html>, (13 June 2006).

<sup>63</sup> Global Exchange, 4 May 2005, Central America lags on labour rights for trade deal, <<http://www.globalexchange.org/campaigns/cafta/3048.html>>, (7 June 2006).

<sup>64</sup> Global Exchange, 4 May 2005, Central America lags on labour rights for trade deal, <<http://www.globalexchange.org/campaigns/cafta/3048.html>>, (7 June 2006).

<sup>65</sup> Co-op America, 1 October 2005, Sweatshop labour, <<http://www.coopamerica.org/programs/rs/profile.cfm?id=295>>, (14 June 2006).

<sup>66</sup> See: Resource Center of the Americas, "Two Unionized Maquilas Closed", [http://www.americas.org/item\\_12294](http://www.americas.org/item_12294), (17 October 2005); Henry Frundt, "Trade Conditions and Labour Rights: U.S. Initiatives, Dominican and Central American Responses", in Gabo case, 1998, <http://www.upf.com/content/FrundtChap1.pdf>, (17 October 2005); Farhan Haq, 'El Salvador becoming Gian Sweatshop, Group Charges', January 1997, Albion Monitor News, <http://www.monitor.net/monitor/9701b/salvadorsweatshop.html>, (21 October 2005)

<sup>67</sup> National Labour Committee, "Worker Rights in the Americas? A Rare Inside Glimpse Report", May 2001, <http://www.nlcn.org/campaigns/archive/elsalvador/0401/leader.shtml>, (17 October 2005)

## **Nicaragua**

In 2000, following a report by the US National Labour Committee of unfair and illegal labour practices at the *Mil Colores* factory in Nicaragua, the Target Corporation acknowledged their business ties to the factory.<sup>68</sup>

Target audited the factory four times in 2000 but said its audit procedures found no evidence found of abusive working conditions or compulsory overtime.<sup>69</sup>

## **American Samoa**

The U.S. Department of Labour has fined Daewoosa Samoa – a company that employs young Vietnamese women to produce garments for Target – on several occasions its repeated violations of the Fair Labour Standards Act.

In December 2000 the U.S. Department of Labour confiscated Daewoosa garments.<sup>70</sup>

In April 2002, the High Court of American Samoa ordered Daewoosa to pay \$3.5 million to its workers.<sup>71</sup>

Target has not taken any responsibility for the conditions under which their clothes were made.<sup>72</sup>

## **4.8. What Can Be Done?**

What can be done when there is a problem in a factory producing for the Target Corporation?

This section provides the available contact information and explains the company's procedure.

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<sup>68</sup> Carrie Antlfinger (Corpwatch), 22 August 2000, Nicaragua: US retailers contract with sweatshops, <<http://www.corpwatch.org/article.php?id=604>>, (12 June 2006).

<sup>69</sup> Carrie Antlfinger (Corpwatch), 22 August 2000, Nicaragua: US retailers contract with sweatshops, <<http://www.corpwatch.org/article.php?id=604>>, (12 June 2006).

<sup>70</sup> Clean Clothes Campaign, "Troubled Garment Factory on American Samoa Shuts Down Leaving Workers Stranded without Work or Food", 6 February 2001, <http://www.cleanclothes.org/urgent/01-02-06.htm> (October 20 2005)

<sup>71</sup> Sweatshop, "Samoa Garment Workers Win Class-Action Lawsuit, Sweatshop Watch Newsletter, 2002, vol.8, No2 in Clean Clothes Campaign, <http://www.cleanclothes.org/urgent/02-08-07.htm>, (October 21 2005)

<sup>72</sup> David Fickling, "Misery of rag-trade slave in America's Pacific outpost – Slaves Used to Make Cloths for Sears and JC Penney", Cloths for A Change, 1 March 2003, [http://www.organicconsumers.org/clothes/031803\\_sweatshop\\_jc\\_penney.cfm](http://www.organicconsumers.org/clothes/031803_sweatshop_jc_penney.cfm), (October 21 2005).

### **Who to contact**

Contact the Target Corporation's Compliance Department, based in Minneapolis in the United States

<b>Name</b>	Kay Schultz
<b>Address</b>	The Target Corporation, 1000 Nicollet Mall, Minneapolis, MN 55403
<b>Position</b>	Senior Compliance Manager
<b>Telephone</b>	001-76340-50551
<b>Email</b>	Kay.schultz@target.com

### **How to contact them?**

Make a telephone call directly to the United States or send an email.

### **Who are they:**

The Compliance Department are responsible for investigating complaints of violations in its supply chain.

### **What to say:**

There is no format for reporting violations but the following information is helpful.

- A description of labour rights violations that have occurred, including the dates on which they occurred and details of local labour laws that have been broken.
- The name, address, and contact information (fax, phone, e-mail) of the factory/workplace involved.
- The name and contact information of the owner of the workplace.
- The names of any known companies or brands that the factory produces goods for.
- The country/ countries where goods are exported to.
- A summary of workers' demands.
- The name and contact information of the organization/s seeking assistance and their relationship to the workers involved.

### **Can they use their influence?**

Target did not respond to enquiries for information and there is no public information about their influence on sourcing or supply chain decisions.

## 4.9. Annexes

### a. *Target Code of Conduct & Supplier Standards*<sup>73</sup>

#### Extracts from sections related to labour conditions and supplier relations

##### Vendor Standards

All suppliers/vendors are expected to comply with the Target Corporation Standards of Vendor Engagement. Failure to comply will expose suppliers/vendors to possible termination of their business relationship with us.

##### Global Compliance: Business ethics practices for vendors & trading partners

Target, along with 250 other retailers, is a signatory of the National Retail Federation's "Statement of Principles on Supplier Legal Compliance" and we have incorporated the core principles of this Statement into our own standards and practices. Specifically, we seek to do business with vendors, including suppliers and manufacturers, who share our commitment to high ethical standards. We require our vendors to:

- ❑ Provide employees with a safe and healthy workplace,
- ❑ Adopt nondiscrimination principles and limit work hours,
- ❑ Pay fair wages,
- ❑ Renounce forced or other compulsory labour and abstain from its use, and
- ❑ Refrain completely from use of child labour. We define child labour as being below the minimum legal working age according to local law, or under the age of 14, whichever is greater. We do make an exception for legitimate apprentice programs.

We are willing to exercise our ability to take corrective action – up to and including termination – for vendors that violate U. S. law, local (country of origin) laws, or our Standards of Vendor Engagement.

Target is opposed to any form of slave, child or prison labour, whether domestic or international, and we take the protection of human rights very seriously. We expect our vendors to share and apply these same ethical standards.

##### Vendor Contracts

In our Conditions of Contract, we require our vendors to warrant that all goods are made in compliance with applicable laws – including the Fair Labour Standards Act of 1938, a law that governs how employers pay and treat their employees. Our Conditions of

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<sup>73</sup> Target, 31 January 2006, Target Corporation Corporate Responsibility Report, <[http://sites.target.com/images/corporate/about/pdfs/corp\\_responsibility\\_report\\_0406.pdf](http://sites.target.com/images/corporate/about/pdfs/corp_responsibility_report_0406.pdf);jsessionid=OCYA0XOEQRDLFLARAAVPYAA>, (13 June 2006).

Contract also requires that the companies our vendors do business with will be in compliance with the law.

If a vendor violates our agreement, the penalties range from the loss of the contract or order to the loss of all future business with Target.

### **Vendor Selection and Quality Assurance**

Currently, to sell any owned brand goods to Target, a vendor must meet the requirements of Target's Global compliance program, which includes completion of training, qualification by sourcing experts and compliance with other rigorous requirements - including labour law. The first step of this vendor approval process requires that our owned brand vendors acknowledge that they understand their responsibility for compliance with Department of Labour requirements.

In addition, Target requires its vendors to assess their contractors' factories through plant evaluation, including working conditions and labour issues.

### **Global Sourcing**

Target sources merchandise from numerous countries throughout the world. This activity is coordinated by Target Sourcing Services/Associated Merchandising Corp (TSS/AMC), a subsidiary of Target Corporation. TSS/AMC and other buying agents are held to and require the same standards as Target when doing business around the world.

Vendors and their factories that engage in business with TSS/AMC must comply with Target's high standards.

## 5. Wal-Mart

### 5.1. Executive Summary

Wal-Mart is the United States' biggest retailer.

Wal-Mart's most recent set of standards for suppliers has been active since 2005.

A case history suggests that Wal-Mart has made a poor practical commitment to labour rights and improvements in working conditions throughout its supply chain. Wal-Mart's Ethic's Committee cannot be contacted directly to discuss violations of its code of conduct.

### 5.2. Company Profile

<b>Name:</b>	Wal-Mart
<b>Business Address:</b>	702 SW 8th St. Bentonville, AR 72716
<b>Telephone:</b>	479-273-4000
<b>Fax:</b>	479-273-4053
<b>Web site:</b>	www.walmart.com
<b>Industry:</b>	Retail
<b>Logo:</b>	
<b>Chairman</b>	S. Robson (Rob) Walton
<b>President, CEO and Director</b>	H. Lee Scott Jr.
<b>African Countries in the Supply Chain</b>	
<b>No. Employees (2005)</b>	1,700,000
<b>Average growth of employees per year</b>	13,3%
<b>2005 Sales</b>	US\$ 312, 427 (million)
<b>1-Year Sales Growth</b>	9,5%
<b>2005 Net Income</b>	US\$ 11,231 (million)
<b>1-year Net Income Growth</b>	9,4%

### 5.3. Business and Strategy

Wal-Mart is the largest retailer in the United States, Canada and Mexico. Nearly two-thirds of Wal-Mart retail stores are located the US, but the company is expanding in Asia, Europe, and South America.<sup>74</sup>

Wal-Mart is the world's largest apparel retailer. The company sells 70-80% of its own products through brand labels and sells brands licensed to other major clothing companies. Wal-Mart also sells more jeans than any other store in the US.<sup>75</sup> Wal-Mart is trying to add trend to the Wal-Mart basic value clothing. Wal-Mart has decided to drop Kathie Lee and Liz Claiborne Russ in favor of their Faded Glory, No Boundaries, and George private labels, with a concerted move towards more fashion-conscious clothing.

Wal-Mart has been a pioneer of global supply chains, aiming to keep inventory levels down and maintaining a fast turn around time for suppliers.<sup>76</sup> The company sources products from tens of thousands of factories in 70 countries around the globe.

Since 2002 Wal-Mart's Global Procurement Centre has been located in Shenzhen, Southern China. In addition the company operates 20 global purchasing offices. The company imports an estimated \$15 billion worth of products from China each year. Products are also sourced from manufacturers from other areas such as Honduras, Nicaragua, Bangladesh, and Africa.<sup>77</sup>

### 5.4. Business Activities<sup>78</sup>

Wal-Mart's own clothing labels and labels sold in Wal-Mart stores include:

	<p>Hanes Hanes is the largest apparel brand in the world offering underwear, t-shirts, baby clothing, socks, comforters, bedding, bras, shoes, panties. This is a brand sold</p>
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<sup>74</sup> Hoovers, 2006, Wal-Mart Stores, inc., [http://www.hoovers.com/wal-mart/--ID\\_11600--/free-co-factsheet.xhtml](http://www.hoovers.com/wal-mart/--ID_11600--/free-co-factsheet.xhtml), (20 July 2006).

<sup>75</sup> WWD, "Knowing Their Niche," June 24, 2004.

<sup>76</sup> Alison Leung, 20 November 2001, Wal-Mart to move HK buying hub to Shenzhen Alison, <http://www.siamfuture.com/asiannews/asiannewstxt.asp?aid=1903>, (20 July 2006).

<sup>77</sup> 'Wal-Mart at a Glance', <http://www.walmartstores.com> (19 April 2005); 'Wal-Mart at a Glance', <http://www.pbs.org> (21 December 2004); '2004 Global Powers of Reporting,' Stores January 2004, <http://retailindustry.about.com/gi/dynamic/offsite.htm?zi=1/XJ&sdn=retailindustry&z=1> (12 May 2005); International Textile, Garment and Leather Workers' Federation, 'Walmart: Company Profile and Apparel Sourcing,'.

<sup>78</sup> Hoovers, 2006, Wal-Mart Stores, Inc., [http://www.hoovers.com/wal-mart/--ID\\_11600--/free-co-factsheet.xhtml](http://www.hoovers.com/wal-mart/--ID_11600--/free-co-factsheet.xhtml), (24 April 2006).

	at Wal-Mart but not owned by Wal-Mart.
	Danskin Now Workout clothing for the dynamic woman, including shirts and shorts. This is a brand sold at Wal-Mart but not owned by Wal-Mart.
	Playtex Intimate apparel for women, including bras. This is a brand sold at Wal-Mart but not owned by Wal-Mart.
	George One of the more extensive Wal-Mart owned clothing brands offering clothing for men, women, and children. This is the brand used for clothing made with organic cotton
	Metro 7 Offering stylish "urban" clothing for women
	Faded Glory Clothing and accessories for women, girls and toddlers, including jeans, pants, shirts, etc.
	White stag Clothing for women including shirts and sweaters.
	Mary-Kate and Ashley Clothing for young women as well as accessories. Produced at a factory in Swaziland among others.
	Catalina women's sportswear
	Levi Strauss Signature Lower quality blue jeans produced by Levi's and sold in Wal-Mart stores
	Jordache jeans, shirts, and accessories for juniors and girls. This is a brand sold at Wal-Mart but not owned by Wal-Mart.
	<b>Wrangler and Hero by Wrangler</b> Wrangler Apparel Corp, a subsidiary of the VF Corporation. jeans, shirts, and accessories. This is a brand sold at Wal-Mart but not owned by Wal-Mart.

		Sand and Sun Swimwear for men, women and children.
		No Boundaries Clothing for women and girls, including tops, shirts and sportswear.
		Seed Sprout Clothing and apparel for boys and girls
		Tredsafe Clothing, accessories and shoes for men and women.

## 5.5. Corporate Social Responsibility Policies

Wal-Mart's most recent set of Standards for Suppliers requires that products produced for Wal-Mart must comply with all local and national labour laws. The text of these Standards can be found in Section 5.9.

Wal-Mart's Factory Certification is applied to all factories contracted through Wal-Mart's Global Procurement program; including suppliers, their contractors, and sub-contractors.<sup>79</sup>

Wal-Mart claims to employ some 200 auditors around the world, carrying out 13,000 social audits each year against standards which are based on ILO Core Conventions. Wal-Mart audits each of their privately labelled factories once a year.

ASDA, the retail group owned and operated by Wal-Mart in the UK works with Oxfam, the Ethical Trading Initiative, Women Working Worldwide, and the ITGLWF to evaluate buying practices.

## 5.6. Company Policy in the Case of Violations

Wal-Mart runs a Global Ethics Office, which deals with reported violations of the company's ethical code.

<sup>79</sup> For more information on the consequences of each rating and the follow up actions, see the description of the Traffic Light System in Wal-Mart's Factory Certification Report. Wal-Mart Factory Certification Report March 2003-February2004, <http://www.walmartstores.com/wmstore/wmstores/HomePage.jsp> (4 May 2005).

## 5.7. Complaints and Company Reactions

The following cases document complaints against Wal-Mart and responses by the company to violations of labour rights through its supply chain.

Wal-Mart is notorious for their poor track record in monitoring and implementing Codes of Conduct. The company's response to complaints can be best described as being very slow or non-reactive though this seems to be changing.

The International Labor Rights Fund currently represents factory workers from China, Swaziland, Nicaragua, Indonesia and Bangladesh in the US courts for allegations of consistent code of conduct violations.

### ***United States and Canada***

In the United States and Canada, Wal-Mart has faced a number of accusations over labour standards and working conditions. Wal-Mart is the subject of ongoing criticism from community groups, grassroots organizations, trade unions, and environmental groups over the company's foreign product sourcing, treatment of employees and product suppliers, environmental carelessness, use of public subsidies, and impacts on local businesses.

High profile cases include:

- ❑ In 2003 illegal immigrants working as janitors in 60 Wal-Mart stores were taken in by the federal government. Subsequently an investigation began to find out whether the company had knowledge that the contracted janitors were not documented.
- ❑ In 2004 Wal-Mart acknowledged that it regularly locked overnight workers into its stores.
- ❑ In 2004 the largest sex-discrimination case in United States history class action suit was brought on behalf of 1.6 million women for sex-discrimination. It is.
- ❑ Wal-Mart shut down a store in Quebec, Canada just before the union was to be approved by Wal-Mart employees.<sup>80</sup>

### ***China***

Wal-Mart buys most of its merchandise from China, in 2004 this was \$18 billion worth of goods. Allegations that employment and working conditions at Wal-Mart's Chinese suppliers violated Chinese labour law, and accepted international conventions on business practice are today widespread.

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<sup>80</sup> 'Wal-Mart's New Spin', <http://www.nytimes.com> (13 April 2005); 'An Empire Built on Bargains Remakes the Working World', 23 November 2003, <http://www.pulitzer.org> (21 December 2004); Peter Brieger, 'Wal-Mart loses fight over 'union prevention' book', 8 April 2005, <http://www.law.hku.hk> (13 April 2005).

In 2005, for example, workers making clothing for Wal-Mart in the southern Chinese city of Shenzhen, filed a *class action lawsuit* against Wal-Mart, claiming that they were not paid the legal minimum wage, not permitted to take holidays and were forced to work overtime.<sup>81</sup>

In 2006, following a public relations campaign against Wal-Mart's refusal to let Chinese workers unionize by the state sanctioned All-China Federation of Trade Unions (ACFTU), Wal-Mart announced that it will allow its 28,000 workers at all of its Chinese stores to become members of trade unions.

The company has said that it will work to develop terms of union representation for its 28,000 Chinese staff.

China Labor Watch and the International Labor Rights Fund have uncovered several factories producing Wal-Mart toys and other products with severe code of conduct violations. At WinBo Industrial Co, workers weren't paid the legal overtime pay and forced to work excessive overtime. (October 26, 2006 Wal-Mart in China: Rolling Back Prices  
<http://laborrights.org/projects/corporate/walmart/China%20Walmart%20Report102506.pdf>)

### **Jordan**

Wal-Mart has responded to allegations of serious violations of labour rights in Jordan's apparel industry by confirming that they found "serious problems with the conditions at several major Jordanian factories."<sup>82</sup> Wal-Mart stopped doing business with one of three factories accused of violating labour rights but continues to produce clothing in Jordan.<sup>83</sup>

The U.S. congress has urged the American government to investigate the allegations of sweatshop abuses in Jordan's garment manufacturing units.<sup>84</sup>

### **Bangladesh**

A report from the ITGLWF about conditions at a garment factory supplying to Wal-Mart in Bangladesh alleges that workers there have never seen a code of conduct, that the

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<sup>81</sup> New York Times, September 14, 2005

<sup>82</sup> Steven Greenhouse & Michael Barbaro, 3 May 2006, An ugly side of free trade: sweatshops in Jordan, <<http://www.nytimes.com/2006/05/03/business/worldbusiness/03clothing.html?ex=1304308800&en=a9fe49757426d3c3&ei=5088&partner=rssnyt&emc=rss>>, (8 May 2006).

<sup>83</sup> National Labour Committee, May 2006, U.S. Jordan free trade agreement; descends into human trafficking & involuntary servitude, <<http://www.nlcnet.org/faxes/jordan/report.pdf>>, (9 May 2006).

<sup>84</sup> Wal-Mart Watch, 6-5-2006, Breaking news: congress requests investigation on Jordan sweatshops, <[http://walmartwatch.com/blog/archives/congress\\_requests\\_investigation\\_on\\_jordan\\_sweatshops/](http://walmartwatch.com/blog/archives/congress_requests_investigation_on_jordan_sweatshops/)>, (8 May 2006).

code has never been explained to workers, nor has the code been properly implemented.

Wal-Mart has not responded to any complaints and allegations over labour conditions in Bangladesh neither has it taken any public actions to improve working conditions in the country.

### **Honduras**

South Korean owned factories in Honduras produce garments for Wal-Mart. There is evidence that working conditions in these factories violate basic labour rights and leave workers vulnerable to exploitation from supervisors and managers.<sup>85</sup>

There was no reaction from Wal-Mart to the allegations nor any public action to improve working conditions among its suppliers in Honduras.

### **Nicaragua**

Wal-Mart is the largest buyer of garments from the King Yong factory in Nicaragua.

The Nicaraguan Ministry of Labour has recognised that management practices at the factory violate basic labour rights, including those to freedom of association, and has repeatedly demanded improvements to working conditions in the factory.<sup>86</sup>

Despite public pressure from the Ministry of Labour, the factory's management and Wal-Mart have failed to respond to allegations and there is no evidence of any improvements in labour standards.<sup>87</sup>

### **Namibia**

Ramatex is a Malaysian-owned manufacturing company that produces for buyers including Wal-Mart. In January 2005 - following protests over labour standards and the efforts of the International Textile Garment and Leather Workers' Federation (ITGLWF) who contacted the Government of Namibia and US companies that buy from Ramatex – Ramatex accepted demands to improve working conditions in its factories.<sup>88</sup>

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<sup>85</sup> 1 world communication, Boycott international, nd, <http://www.1worldcommunication.org/Walmart.htm#sweatshop>, (16 May 2006).

<sup>86</sup> NLC, July 2004, King Yong, in Nicaragua; A major test case for the Central American free trade agreement, <http://www.nlcnet.org/campaigns/kingyong/>, (16 May 2006).

<sup>87</sup> National Labour Committee, July 2004, King Yong, Nicaragua A Major Test Case for the Central American Free Trade Agreement, <http://www.nlcnet.org/campaigns/kingyong/>, (20 July 2006).

<sup>88</sup> UN office for the Coordination of Humanitarian Affairs, IRINnews.org, "Namibia: Giant textile firm agrees to improve workers' conditions", <http://www.irinnews.org/print.asp?ReportID=45429>

In 2006 the Malaysian owners threatened to close the unit claiming poor productivity and operational losses as a result of union actions.<sup>89</sup>

There is no evidence of any reaction by Wal-Mart to the case.

### **Lesotho**

In 2003, Lesotho Clothing and Allied Workers Union sent an urgent appeal to Wal-Mart calling for immediate steps to ensure that its suppliers in Lesotho comply with the country's labour laws.

The appeal detailed a catalogue of workplace abuses by the managers and supervisors of factories supplying Wal-Mart that violated the company's code of conduct and all basic international conventions.

There was no response from Wal-Mart to the appeal. In 2005, two of the named factories closed and relocated without advance notice to workers.

### **Philippines**

In September 2006, the Workers' Assistance Center and United Workers for Chong Won issued an urgent appeal as the permanent workers at Chong Won Fashion whose primary buyer is WAI-Mart declared a strike since the factory management had refused to negotiate a contract.

This is an ongoing issue but Wal-Mart has for the moment remained engaged with this situation and has taken steps to hold the factory accountable. Maquila Solidarity Network in particular has managed to maintain regular communication with Wal-Mart concerning Chong Won.

## **5.8. What Can Be Done?**

What can be done when there is a problem in a factory producing for the Wal-Mart Corporation?

This section provides the available contact information and explains the company's procedure.

### **Who to contact**

Contact Wal-Mart's Business Ethics Committee, based in Bentonville in the United States

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<sup>89</sup> Namibian news, 1 June 2006, A thread of hope for Ramatex, <http://www.namibian.com.na/2006/June/national/0626BCA93C.html>, (13 June 2006).

<b>Name</b>	Rajan Kamalanathan
<b>Address</b>	702 SW 8th St., Bentonville, AR 72716-0860
<b>Position</b>	Director of Compliance, Global Procurement
<b>Email</b>	rkamala@wal-mart.com

### ***How to contact them?***

Send an email.

### ***Who are they:***

The Ethics Committee are responsible for investigating violations in its supply chain.

### ***What to say:***

There is no format for reporting violations but the following information is helpful.

- ❑ A description of labour rights violations that have occurred, including the dates on which they occurred and details of local labour laws that have been broken.
- ❑ The name, address, and contact information (fax, phone, e-mail) of the factory/workplace involved.
- ❑ The name and contact information of the owner of the workplace.
- ❑ The names of any known companies or brands that the factory produces goods for.
- ❑ The country/ countries where goods are exported to.
- ❑ A summary of workers' demands.
- ❑ The name and contact information of the organization/s seeking assistance and their relationship to the workers involved.

### ***Will they use their influence?***

Wal-Mart did not respond to enquiries for information and there is not much public information about their influence on sourcing or supply chain decisions. As been said above, under public pressure they are increasingly responsive.

## 5.9. Annex

### a. *Wal-Mart Standards for Suppliers*<sup>90</sup>

#### **Extracts from sections related to labour conditions and supplier relations**

##### **Compliance with applicable laws and practices**

Suppliers shall comply with all local and national laws and regulations of the jurisdictions in which the suppliers are doing business as well as the practices of their industry. Should the legal requirements and practices of the industry conflict, suppliers must, at a minimum, be in compliance with the legal requirements of the jurisdiction in which they are operating. If, however, the industry practices exceed the country's legal requirements, Wal-Mart will favor suppliers who meet such industry practices.

##### **Compensation**

Suppliers shall fairly compensate their employees by providing wages and benefits that are in compliance with the local and national laws of the jurisdictions in which the suppliers are doing business or which are consistent with the prevailing local standards in the country if the prevailing local standard is higher.

##### **Hours of Labour**

Suppliers shall maintain employee work hours in compliance with local standards and applicable laws of the jurisdictions in which the suppliers are doing business. Employees shall not work more than 72 hours per 6 days or work more than a maximum total working hours of 14 hours per calendar day (midnight to midnight). Supplier's factories should be working toward achieving a 60-hour work week. Wal-Mart will not use suppliers who, on a regularly scheduled basis, require employees to work in excess of the statutory requirements without proper compensation as required by applicable law. Employees should be permitted reasonable days off (at least one day off for every seven-day period) and leave privileges.

##### **Forced Labour/Prison Labour**

Forced or prison labour will not be tolerated by Wal-Mart. Suppliers shall maintain employment on a voluntary basis. Wal-Mart will not accept products from suppliers who directly or indirectly use in any manner forced labour or prison labour.

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<sup>90</sup> Wal-Mart, 1-10-2005, Standards for supplier: Supplier's responsibilities, <http://walmartstores.com/Files/SupplierStandards.pdf>, (24 April 2006).

### **Child Labour**

Wal-Mart will not tolerate the use of child labour. Wal-Mart will not accept products from suppliers who directly or indirectly use child labour. No person shall be employed at an age younger than the legal minimum age for working in any specific country and not less than 14 years, whichever is greater.

### **Discrimination/Human Rights**

Wal-Mart recognizes that cultural differences exist and different practices apply in various jurisdictions, however, we believe that all terms and conditions of employment should be based on an individual's ability to do the job, not on the basis of personal characteristics or beliefs. Wal-Mart favours suppliers who have a social and political commitment to basic principles of human rights and who do not discriminate against their employees in hiring practices or any other term or condition of work, on the basis of race, color, national origin, gender, sexual orientation, religion, disability, or other similar factors.

### **Freedom of Association and Collective Bargaining**

Suppliers will respect the rights of employees regarding their decision of whether to associate or not to associate with any group, as long as such groups are legal in their own country. Suppliers must not interfere with, obstruct or prevent such legitimate activities.

## 6. Links to Supporting Organisations

### 6.1. Labour Organisations in Africa

#### International Textile, Garment & Leather Workers' Federation

<b>Name:</b>	International Textile, Garment & Leather Workers' Federation
<b>Contact Address in South Africa</b>	40 Commercial Road, Commercial City Building, Suite 1023/1024 10 <sup>th</sup> Floor, Durban, 4001, South Africa
<b>Tel:</b>	00 27 31 305 6885
<b>Fax:</b>	00 27 31 305 6886
<b>Email:</b>	office@itglwf.org
<b>Website:</b>	<a href="http://www.itglwf.org">http://www.itglwf.org</a>

The ITGLWF Africa office coordinates and provides support to affiliated unions in the region in their general quest for improving the quality of life and workers rights. The office initiates, implements and supports campaigns at different operational levels. The office organises activities around targeted multinationals, collects data, base line studies and provides information to support the campaigns and negotiations of affiliates.

### 6.2. Labour Organisations in Europe

#### Clean Clothes Campaign (CCC)

<b>Name:</b>	Clean Clothes Campaign International Secretariat
<b>Address:</b>	Postbus 11584 1001 GN Amsterdam The Netherlands
<b>Telephone:</b>	+31-20-412-2785
<b>Fax:</b>	+31-20-412-2786
<b>Email:</b>	info@cleanclothes.org
<b>Website:</b>	<a href="http://www.cleanclothes.org">http://www.cleanclothes.org</a>

The CCC is an international campaign, based in 9 European countries, focused on improving working conditions in the global garment and sportswear industries.

The CCC can work behind the scenes to help create a space where workers' concerns can be heard by local management, public authorities, brand-name garment companies and retailers, and others who have a responsibility to ensure compliance with good labour standards throughout international garment industry supply chain.

The CCC has taken action on cases in Asia, North and Central America, Africa, and Europe and takes action on issues involving discrimination, harassment, and violence against union members or sympathizers; denial of legal wages or benefits, unsafe working conditions, and forced overtime.

### **Clean Clothes Campaign - Urgent Appeals**

If your organization would like to explore the possibility of international support in relation to specific cases of labour rights violations, you can contact them directly:

The CCC will only take up cases in which it is clear that workers want action to be taken.

The CCC will ask for following information:

- ❑ A description of labour rights violations that have occurred, including the dates on which they occurred and details of local labour laws that have been broken.
- ❑ The name, address, and contact information (fax, phone, e-mail) of the factory/workplace involved.
- ❑ The name and contact information of the owner of the workplace.
- ❑ The names of any known companies or brands that the factory produces goods for.
- ❑ The country/ countries where goods are exported to.
- ❑ A summary of workers' demands
- ❑ The name and contact information of the organization/s seeking assistance and their relationship to the workers involved.
- ❑ The name and contact information of any union involved, including their union affiliations
- ❑ The name and contact information for any other organization supporting workers.

### 6.3. Multi-stake holder initiatives

#### Fair Labour Association

<b>Name:</b>	Fair Labour Association
<b>Address:</b>	1505 22nd St. NW, Washington, DC 20037
<b>Telephone:</b>	001-202-898-1000
<b>Fax:</b>	001-202-898-9050
<b>Email:</b>	info@fairlabor.org
<b>Website:</b>	www.fairlabor.org

The FLA initiative is designed to complement international and national efforts to promote respect for labor rights. The FLA represents a multi-stakeholder coalition of companies, universities and NGOs which have committed to a rigorous program of Workplace Standards implementation, monitoring and remediation in order to bring their manufacturing sites into compliance with FLA standards.

The FLA works with companies to help them establish an internal system of monitoring factory conditions and promoting respect for the Code standards.

The FLA encourages companies to work with factory management to improve workplace conditions and protect the rights of the workers responsible for manufacturing their products.

#### Worker's Rights Consortium

<b>Name:</b>	Worker Rights Consortium
<b>Address:</b>	5 Thomas Circle NW, Fifth Floor Washington, DC 20005
<b>Telephone:</b>	(202) 387-4884
<b>Fax:</b>	(202) 387-3292
<b>Email:</b>	wrc@workersrights.org
<b>Website:</b>	http://www.workersrights.org

The Worker Rights Consortium (WRC) is a non-profit organization that assists in the enforcement of Codes of Conduct in factories producing clothing and other goods bearing the names of colleges and universities in the US. There are more than 100 colleges and universities affiliated with the WRC.

The WRC works with labour rights experts in the United States and around the world to investigate factory conditions. Where violations are uncovered, the WRC works with colleges and universities, U.S.-based retail corporations and local workers and organizations to correct the problem and improve conditions.

## 6.4. Labour Organisations in North America and Canada

### USAS

<b>Name:</b>	United Students Against Sweatshops
<b>Contact Address</b>	1150 17th St. NW, Ste. 300 Washington, DC 20036
<b>Telephone:</b>	+ 1 202.667.9328
<b>Fax:</b>	+ 1 202.293.5308
<b>Email:</b>	organize@usasnet.org
<b>Website:</b>	www.StudentsAgainstSweatshops.org

United Students Against Sweatshops is an international student movement of campuses and individual students fighting for sweatshop free labour conditions and workers' rights. They believe that university standards should be brought in line with those of its students who demand that their school's logo is emblazoned on clothing made in decent working conditions.

They are demanding from their universities to adopt ethically and legally strong codes of conduct, full public disclosure of company information and truly independent verification systems to ensure that sweatshop conditions are not happening. USAS' three cornerstone campaigns are the Sweat-Free Campus Campaign, the Ethical Contracting Campaign, and the Campus Living Wage Campaign.

### ILRF

<b>Name:</b>	International Labor Rights Fund
<b>Contact Address</b>	2001 S St., NW #420 Washington, DC 20009
<b>Telephone:</b>	+ 1 202 347-4100
<b>Fax:</b>	+ 1 202 347-4885
<b>Email:</b>	laborrights@ilrf.org
<b>Website:</b>	http://www.laborrights.org/

ILRF is an advocacy organization dedicated to achieving just and humane treatment for workers worldwide. ILRF believes that all workers have the right to a safe working

environment where they are treated with dignity and respect, and where they can organize freely to defend and promote their rights and interests.

They are committed to overcoming the problems of child labour, forced labour, and other abusive labour practices. They promote enforcement of labour rights internationally through public education and mobilization, research, litigation, legislation, and collaboration with labour, government and business groups.

### Solidarity Center

<b>Name:</b>	Solidarity Center
<b>Contact Address</b>	1925 K Street, NW, Suite 300 Washington, DC 20006
<b>Telephone:</b>	202-778-4500
<b>Fax:</b>	202-778-4525
<b>Email:</b>	Information@solidaritycenter.org
<b>Website:</b>	www.solidaritycenter.org

The Solidarity Center serves as a worldwide advocate for union activists, defending worker rights, administering training programs for organizing, sharing information with unionists, and providing support for struggling unions.

The Solidarity Center helps workers build stronger unions, stand up for their rights, and overcome repression. At the same time, working with local partners, the Solidarity Centre sponsors public education on the freedom to form unions, publicize widespread worker rights violations, support laws to protect worker rights, and fight for the release of imprisoned union leaders and activists.

### Maquila Solidarity Network

<b>Name:</b>	Maquila Solidarity Network
<b>Address:</b>	609, Shaw Street, Toronto, ON M6G 3L6, Canada
<b>Telephone:</b>	416-532-8584
<b>Fax:</b>	416-532-7688
<b>Email:</b>	info@maquilasolidarity.org
<b>Website:</b>	http://www.maquilasolidarity.org

The Maquila Solidarity Network (MSN) is a labour and women's rights advocacy organization promoting solidarity with grassroots groups in Mexico, Central America, and Asia working to improve conditions in *maquiladora* factories and export processing

zones. We believe retailers must be accountable for the conditions under which their products are made.

### Campaign for Labour Rights

<b>Name:</b>	Campaign for Labour Rights
<b>Address:</b>	1247 E St. SE Washington DC 20003
<b>Telephone:</b>	202-544-9355
<b>Fax:</b>	202-544-9359
<b>Email:</b>	clr@clrlabour.org
<b>Website:</b>	<a href="http://www.clrlabor.org">http://www.clrlabor.org</a>

The Campaign for Labour Rights is an organization that works to inform and mobilize grassroots activists in solidarity with major, international anti-sweatshop struggles. Coordinating with over 500 communities in the U.S. as well as other local, national, and international anti-sweatshop groups, its campaigns and strategy are designed in solidarity and collaboration with workers struggling to gain the right to organize, the right to earn a living wage in a clean, safe work environment, and the right to bargain collectively.

CLR works to have the right to organize recognized as a fundamental human right.

### Sweatshop Watch

<b>Name:</b>	Sweatshop Watch
<b>Address:</b>	1250 So. Los Angeles Street, Suite 212 Los Angeles CA 90015
<b>Telephone:</b>	213-748-5945
<b>Fax:</b>	213-748-5955
<b>Email:</b>	sweatinfo@sweatshopwatch.org
<b>Website:</b>	<a href="http://www.maquilasolidarity.org">http://www.maquilasolidarity.org</a>

Founded in 1995, Sweatshop Watch is a coalition of over 30 labour, community, civil rights, immigrant rights, women's, religious and student organizations, and many individuals, committed to eliminating the exploitation that occurs in sweatshops.

Sweatshop Watch aims to affect both grassroots action and public policy at every level - local, regional, national and international.

## 6.5. NGOs in Africa

### Africa Now

<b>Name:</b>	Africa Now
<b>Contact Address in Zambia</b>	P.O. Box 30521 Plot 6983/11 Old Brentwood Road Longacres Lusaka Tel: 00 260 1 250164
<b>Contact Address in Kenya</b>	P.O. Box 64515 Nairobi Mobil Plaza 00620 Tel/ Fax: 00 254 20 4183 120
<b>Fax:</b>	+31-20-412-2786
<b>Email:</b>	info@africanow.org
<b>Website:</b>	<a href="http://www.africanow.org">http://www.africanow.org</a>

Africa Now is an international development organisation tackling poverty in Africa by helping small-scale producers and promoting ethical trade. Africa Now has offices in Zambia, Zimbabwe and Namibia

Africa Now offers “ethical auditing services” to companies who wish to purchase products from developing countries and want to ensure that ethical standards are used in their production.

Africa Now measures producers in the horticultural and manufacturing sector against codes of conduct and standards involving social, labour, and environmental issues. They offers training in compliance issues and procedures to internationally based corporate staff to improve labour standards and to mutually benefit suppliers and retailers. Africa Now also works with local organisations to increase capacity to respond to workers' issues at factories and farms, and to improve communication channels between management and workers.