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WORKER RIGHTS
CONSORTIUM

**WORKER RIGHTS CONSORTIUM ASSESSMENT
SHAHI EXPORTS PVT. LTD. (BANGALORE, INDIA)
FINDINGS AND RECOMMENDATIONS**

JUNE 21, 2018



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I. Introduction and Executive Summary

A. Introduction

An investigation by the Worker Rights Consortium (WRC) has found that in late March through mid-April 2018, the management of a garment factory in Bangalore, India, operated by Shahi Exports Pvt. Ltd., a supplier of clothing to more than a dozen top US and European retailers, engaged in a campaign of vicious repression and retaliation against workers' exercise of fundamental labor rights – which included physical beatings; death threats; gender, caste, and religion-based abuse; threats of mass termination; and the expulsion from the factory of 15 worker activists. The violations occurred at Shahi's Unit 8 factory in Bangalore, in the course of a deliberate effort by Shahi to repress the organization of a union at the factory and, relatedly, prevent an increase in garment workers' wages.

Shahi's Unit 8 facility, which employs roughly 3,000 workers, supplies Columbia Sportswear, Abercrombie & Fitch (A&F), Benetton, and H&M. The factory's owner, Shahi Exports Pvt. Ltd., through its more than 50 other production facilities in India, is also a supplier to a number of other major brands and retailers, including American Eagle, C&A, Children's Place, Decathlon, Gap, Inditex (Zara), Marks & Spencer, Primark, Puma, PVH (Calvin Klein, Tommy Hilfiger), Tesco, Uniqlo, VF (Vans and other brands), and Walmart.

Shahi Exports Pvt. Ltd. is India's largest garment manufacturer with more than US \$850 million in annual revenue. Shahi is a family-owned business, whose principals, the Ahuja family, have attracted publicity for their spending on real estate in New Delhi, and, more recently, through the marriage of its founder's eldest son, a top company executive, to a top Bollywood film actress.¹ Workers at the Shahi Unit 8 factory, however, earn estimated average wages of only roughly US \$0.62 per hour, and earlier this year the company aggressively – and successfully – lobbied the government of the state of Karnataka, where Shahi Unit 8 and many of the company's other factories are located, to cancel a scheduled increase in the state's minimum wage for workers in the garment sector.²

The abuses discussed in this report, which include criminal violence committed and/or directed by members of Shahi's management at the Unit 8 factory, violate brand codes of conduct, Indian law, and international labor standards. In May 2017, the WRC shared the findings and recommendations in this report with Shahi and the brands that are its business partners and requested that they indicate the steps they would take to address this deeply disturbing situation.

¹ Ravi Teja Sharma, "Shahi Exports MD Harish Ahuja buys Delhi bungalow for Rs 173 crore [U.S. \$25 million]," *Economic Times* (Sep. 2, 2015); Ruchi Kaushal, "Sonam Kapoor and Anand Ahuja's wedding," *Times of India* (May 9, 2018).

² Letters from Shahi Exports Pvt. Ltd. to State of Karnataka Secretary of Labour (Jan 17 and 28, Feb, 22, 2018, and Order of State of Karnataka Secretary of Labour (Mar. 2018) (documents on file with WRC).

Unfortunately, while Shahi has agreed, after the exposure of the violations, to reinstate the workers who were the direct victims of the violence, the company has not agreed – and the brands that are its buyers have not required Shahi – to take the basic steps necessary to ensure that they are able to return safely to the factory and that their fundamental right of freedom of association is restored. Moreover, and quite troublingly, Shahi’s customers have refused to require Shahi’s management to terminate those managers, supervisors, and employees responsible for the violence – with the result that all of these individuals are still employed by Shahi, and most are still working inside the Unit 8 factory. In addition, Shahi is refusing to commit to recognize the workers’ union and engage in collective bargaining over their labor conditions, both of which are essential if the workers’ associational rights are to be vindicated.

B. WRC Investigation of Violence and Other Rights Violations at Shahi Unit 8

In mid-April 2018 the WRC received reports from workers, local media outlets, and human rights advocates of a violent attack and other forms of severe retaliation against workers at Shahi Exports Pvt. Ltd.’s Unit 8 factory in Bangalore, India. The violence occurred in response to workers’ exercising their right to freedom of association by organizing with the Karnataka Garment Workers Union (known by the acronym “KOOGU”) and, with the union’s support, petitioning the company for better working conditions, including improvements in the quality of company-supplied drinking water and bus transportation and, most significantly, higher wages.

The WRC’s investigation, which was conducted in late April and early May 2018, involved interviews with more than 30 Shahi workers – among them both employees involved in and those not involved in associational activities – all of whom presented eyewitness testimony as to the events in question, as well as an in-person meeting and email communications with Shahi’s management. The WRC also interviewed local journalists who contemporaneously covered the violence against workers at the factory.

C. Summary of Findings of Violations

The WRC’s investigation determined that Shahi engaged in the following violations of workers’ fundamental labor and human rights at the Unit 8 factory:

- On March 27 and 28, 2018 – Surveillance, interrogation and attempted bribery of, and threats against, a worker who is a union supporter;
- On March 29 to April 2 – Threats of mass termination of workers and incitement of other employees against workers who are union supporters;
- On April 3 – Surveillance and sexually-based verbal abuse of, and attempt to suborn false testimony from, an employee who is a union supporter;
- April 4 – Death threats, threat of false imprisonment, incitement of violence, physical assaults and batteries (which also resulted in theft of workers’ personal property), and

verbal abuse against 10 different workers, with discriminatory reference to workers' sex, caste, and religion, all of which were committed and/or directed by Shahi managers and supervisors; and

- From April 5 to the present – additional threats of violence and discharge against any factory employee who engages in associational activity, suspension of 15 employees, including the 10 workers who were the victims of the assaults and other abuse on April 4.

As discussed in this report, all of this conduct violated workers' rights under university and brand codes of conduct, Indian law, and international labor standards.

D. Recommendations for Corrective Action and Remediation

The WRC has communicated to Shahi – and the brands that are its business partners – that to remedy the harms to the workers who were the victims of the physical violence and other retaliation, to hold accountable the managers and supervisors responsible for this violence, and to counter the severe chilling effects of these abuses on exercise of associational rights by the factory's workforce as a whole, the following corrective measures are needed:

- Those workers who have been physically assaulted and suspended from their jobs must be returned to work with full back pay, compensation for their injuries, pain and suffering, and loss of personal property from the April 4 attack, and a written apology from the company;
- Prior to the return to work of the employees who were the victims of the violence and other abuses at the factory, those managers and supervisors involved in such violations, either actively or by allowing them to occur on factory premises, must be meaningfully disciplined, including, but not limited to, termination of all those identified in this report as directing or perpetrating physical violence or death threats against workers;³ and

³ As discussed in the body of this memorandum, the Shahi managers and supervisors who personally directed or committed violence against employees are: the Human Resources Managers, Vivek, Ajit and Avinash, the Production Manager, Chandru, the Assistant Production Manager, Manjunath, the Floor Production Manager, Krishna, and the Supervisors, Rajshekhar and Suresh. All managers and supervisors involved in such violations, either actively or by allowing them to occur on factory premises, must be meaningfully disciplined, and, in particular, those who actually directed or perpetrated physical violence or death threats against workers, as identified in this report, must be terminated,³ and those who were otherwise complicit, must also be disciplined and transferred to a different facility. Employees who engaged in acts of violence against other workers, even though it was at the express direction of their managers and supervisors, must be disciplined as well. In particular, the sampling department employee, Shobha, who was identified as having committed many brutal acts of violence against other employees at the direction of supervisors and managers, must be terminated. No credible remediation of the freedom of association violations at the company can be considered completed if any of the individuals named above remain employed by Shahi.

- Shahi management must restore the environment in the factory for freedom of association, and demonstrate its commitment to respect this right and refrain from abuse based on sex, caste, religion, or union membership, by: (1) directly stating this policy to workers in an announcement approved in advance by the WRC and other stakeholders, to be read aloud to all workers by their direct line supervisors; (2) recognizing and agreeing to engage in collective bargaining with the KOOGU union concerning issues of concern to workers; and (3) permitting representatives of the union access to the factory to meet with employees on non-work time in non-work areas.

Any corrective measures taken that do not include these basic elements will fail to remedy the harms already suffered by the affected employees and to correct the damage done to the associational rights of all workers by Shahi management’s campaign of violence, threats, and intimidation.

E. Shahi’s Initial Response to Reports of Violence and Other Abuses

Shahi management’s initial response, in meetings and written communications with the WRC and with its buyers, concerning the reports of violence and other retaliation against employee union activists at the Unit 8 factory, was to disclaim any responsibility, to attribute the violence to conflict between employees who were union supporters and those who opposed the union, and to claim that the violence occurred outside the factory. As the WRC’s investigation clearly determined, however, these initial claims by Shahi’s management were demonstrably false and willfully dishonest.

The falsehood of Shahi management’s denials was revealed by the chronology of violations listed above and through eyewitness testimony – from both employees who were union supporters and those who were not associated with the union – both of which are further detailed in the body of this report. The violence on April 4 against employees who are union activists at the factory was the culmination of an organized campaign by Shahi managers themselves, over the previous week, to suppress its employees’ associational rights and lay the groundwork for its subsequent attack on these same employees.

“Shahi management was not involved in the altercation. There was no physical attack from Shahi’s management.

The altercation that occurred happened outside our factory and just between workers. ... The suspended workers initiated the violence and the management believes they were the aggressors.” – Shahi

“You are the main culprit who organized the union.... It won’t be a sin, if people kill you and get rid of you. You should be shot and disposed of. No one will miss you.”

“This woman is not fit to be a worker. Her caste is meant to burn dead people and that is what she should be doing. Beat her and throw her out.”

- Statements by Shahi supervisor and production manager regarding workers assaulted on April 4, 2018.

The Shahi managers' campaign against employees' exercise of their associational rights included repeated interrogations and surveillance of employees concerning their associational activities, and incitement of other employees to violence against the workers who were union supporters, by threatening the workforce as a whole with plant closure and job loss if union organizing at the factory was not ended. It also involve attempts to bribe an employee to end his union activities and to suborn a worker to sign a false statement against the union.

Moreover, as discussed in this report, eyewitness testimony – from both employees who were union supporters and those who were not associated with the union – confirmed that Shahi managers and supervisors also deliberately organized, personally directed, and, in some cases, individually committed the physical assaults and other abuses against workers on April 4. These abuses included managers and supervisors personally issuing death threats and the threat of false imprisonment against workers, and subjecting them to appalling verbal abuse based on their caste backgrounds, religion, and gender. Finally, after the April 4 attack, Shahi managers repeatedly boasted to the employees still working in the factory that the management had successfully had the workers who were union activists beaten and thrown out of the factory.

Shahi also attempted to suppress media coverage reporting its management's responsibility for the violence at the factory. The locally-based English language newspaper, *Deccan Herald*, on April 5, published an article on the violent attack led by company managers on employees, whose contents were generally consistent with the findings of the WRC's subsequent report.⁴ According to the journalist who wrote the article, his reporting was based on contemporaneous interviews with factory workers, and a visit to the hospital where the injured workers were being treated.

On April 7, however, the *Deccan Herald* removed the April 5 article from its website, and published a second article, in which Shahi's management was cited presenting the company's claim that the violence was the result of inter-employee conflict which occurred outside the factory.⁵ From interviews with *Deccan Herald* staff, the WRC learned that this substitution was made by the newspaper as a result of pressure from Shahi – applied both directly and through requests from members of the newspaper's board. The *Deccan Herald* journalists told the WRC, however, that, despite Shahi management's pressure, they stood by their original reporting of the incident as an attack on workers directed by the company management.

⁴ *Deccan Herald*, "HR Staff Booked over Beating Workers for Joining Union" (April 5, 2018).

⁵ *Deccan Herald*, "Assault on Workers a Group Clash: Garment Firm" (April 7, 2018). Notably, in the article, Shahi management is quoted as describing its employees who were engaged in associational activities as "undesirable elements" who were "creating nuisance with some false claims and demands" – further evidence of Shahi's hostility to freedom of association and employees who choose to exercise this fundamental right. *Id.*

F. Shahi and Brands' Responses and Current Status of Corrective Actions and Remediation

With the exception of the U.K. retailer, Tesco – which did not acknowledge receipt of the WRC's report – all of the brands with whom the WRC shared the findings and recommendations of this investigation, including the university licensee, Columbia; the other brands that are buyers from the Unit 8 factory (Abercrombie & Fitch, Benetton and H&M); and those brands that are business partners of Shahi at its other facilities (American Eagle, C&A, Children's Place, Decathlon, Gap, Inditex (Zara), Marks & Spencer, Primark, Puma, PVH, Uniqlo, VF (Vans and other brands), and Walmart), responded to the WRC by indicating they had contacted Shahi concerning the situation at the Unit 8 factory.

Following this engagement, and direct communications between Shahi and the WRC, Shahi indicated that it is willing to take certain measures to address the violence and other abuses at the factory. However, as outlined below, Shahi still refuses to take many of the key actions that are necessary to redress the harms caused by the company to its workers and to restore their right of freedom of association. Moreover, the brands that are Shahi's buyers, as listed above, are failing to require Shahi's management to take these steps.

Specifically, the current status of Shahi and its buyer brands' commitments regarding corrective actions to address the violence and other abuses at the Unit 8 factory are as follows:

- *Reinstatement of Workers with Back Pay.* Shahi has offered reinstatement with back pay to 12 workers who were suspended by the factory after the violence on April 4, including the 10 workers who were physically assaulted. However, the company has not made a clear reinstatement and back pay offer to three other employee union members who were not formally suspended by the company but have not been able to return to work since that time. Moreover, the offers of reinstatement that the company has made to these employees appear to be conditional and suppressive of workers' associational rights
- *Termination of Violent Managers, Supervisors, and Employees.* The WRC's report identified by name and called for the termination of nine Shahi managers, supervisors, and employees who directed or personally committed acts of violence against factory workers, as a necessary measure before the workers they attacked return to the factory. Shahi has not committed to disciplining any of these violent individuals and, instead, has only indicated that it will "transfer" three of them, to continue to work for Shahi at its other factories. Shahi and the brands that are Shahi's buyers are instead taking the position that any disciplinary action against these individuals can only be taken based on as-yet uncompleted investigations by, variously, Shahi, itself, the local police (who were present in the factory on April 4 at

Shahi's request and took no action at the time), or a nongovernmental organization approved by Shahi – none of which qualify as independent factfinders on this issue.

- *Compensation of Workers for Medical Expenses, Personal Property, and Pain and Suffering.* Shahi has agreed to provide the 10 workers who were physically assaulted with an apology and compensation for out-of-pocket medical expenses for treatment of their injuries and, where it has been lost, personal property taken from them during this assault, which included jewelry (including, in one worker's case, her Hindu wedding necklace), a purse, and mobile phones. However, with respect to personal property taken from workers that has ended up in police custody, Shahi's position is that workers must retrieve these items from the police, themselves (which might subject workers to further intimidation). Moreover, regarding additional compensation for pain and suffering for the worker who was subjected to the worst beating and abuse, Shahi has proposed that its amount be set by an NGO being paid by Shahi, which is not a neutral party on this subject.
- *Restoration of Freedom of Association.* Shahi has agreed to make an announcement in the factory that it will respect freedom of association and refrain from violence, and said that it is "open" to recognizing the workers' union. However, the company has not actually committed to recognition of the union – which is already registered with the state government – or to negotiating with it over workers' concerns. Moreover, Shahi has not agreed to share a copy of the announcement (which must also address the issue of caste, gender, and religious-based discrimination) in advance with the WRC and other stakeholders, or to have the statement actually read by supervisors to the workers in their charge, both of which are essential to ensuring that the content and delivery of the announcement are effective. Finally, Shahi has failed to respond to the WRC's recommendation that it provide access to the factory to union representatives to meet with employees on non-work time in non-work areas, which is also necessary to establish an atmosphere where workers feel secure in participating in union activities.

Unfortunately, the brands that are buyers from Shahi Exports Pvt. Ltd. have failed to require Shahi management to commit to the measures that are required if harms to workers are to be remedied, violent managers and supervisors are to be held accountable, and the right of freedom of association is to be restored in this factory.

II. Methodology and Terms of Reference

The WRC conducted a local investigation of the acts of violence and other violations of freedom of association at Shahi Exports Pvt. Ltd.'s Unit 8 factory in Bangalore from late April through mid-May 2018. The WRC's investigation included interviews with more than 30 Shahi factory workers and an in-person meeting and extensive email communications with Shahi management.

In the course of this investigation, the WRC gathered eyewitness testimony from both workers who were union activists and victims of the violence and other abuses discussed in this report, and other employees who had no association with the union, but who gave relevant corroborating testimony. The WRC also interviewed local journalists who had contemporaneously covered the violence at the factory and healthcare workers who had treated the injured workers, and reviewed relevant media reports, medical records and company documents.

The WRC's investigation encountered a high level of fear and, in some cases, hostility among many Shahi workers. This repressive environment was clearly a result of the violence that already had been committed against employees, threats by Shahi management of continuing retaliation – including renewed violence and job loss – against employees if they spoke regarding freedom of association issues, and ongoing incitement of employees by managers to engage in violence toward anyone who continued to raise these issues.

The WRC conducted its investigation of the violence and other acts of retaliation against employees at the Shahi factory who are union activists in reference to the protections for the fundamental right of freedom of association incorporated in brand and university codes of conduct, Indian labor law, and international labor standards. These protections uniformly prohibit any conduct that retaliates or discriminates, or threatens to do so, against workers on account of their membership or activities in, or attempts to form, a trade union.⁶ The WRC's investigation also assessed the action of Shahi's management towards factory workers in reference to the prohibitions in brand and university codes of conduct, Indian law, and international labor standards, on physical violence against and verbal abuse of workers, discrimination and abuse based on religion, social status (caste) and gender, and other unlawful and criminal conduct.⁷

⁶ See, e.g., H&M, Code of Conduct (“All employees have the right to form or join associations of their own choosing, and to bargain collectively. H&M does not accept disciplinary or discriminatory actions from the employer against employees who choose to peacefully and lawfully organise or join an association.”); IMG College Licensing, Labor Code Standards (“Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining “); Industrial Disputes Act, Fifth Schedule (Unfair Labour Practices) (making unlawful “On the part of employers ... [t]o encourage or discourage membership in any trade union by discriminating against any workman, that is to say :- (a) discharging or punishing a workman, because he urged other workmen to join or organise a trade union.”); International Labor Organization (ILO) Convention 98 (Right to Organize and Collective Bargaining)(“ Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment. Such protection shall apply more particularly in respect of acts calculated to-- (a) make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership;(b) cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours.”).

⁷ See, e.g., H&M, Code of Conduct (“Every employee shall be treated with respect and dignity. Under no circumstances do we accept the use by our suppliers, their subcontractors or other business partners of humiliating or corporal punishment, and no employee shall be subject to physical, sexual, psychological or verbal harassment or abuse ... No employee shall be discriminated against in employment or occupation on the grounds of sex ... religion ... [or] ethnic origin....”); IMG College Licensing, Labor Code Standards (“No person shall be subject to any discrimination in employment, including ... discipline [or] termination ... on the basis of gender ... religion ... or social or ethnic origin. ... Every employee shall be treated with dignity and respect. No employee shall be subject to

III. Findings of Violations of Freedom of Association

A. Background

Starting in late March 2018 employees at the Shahi factory who were members of the KOOGU union began circulating petitions among the broader workforce in their non-work time (during their travel time home from the factory) authorizing the union to request the company to improve the quality of the drinking water provided by the company, the company-supplied transportation to and from the factory, and the monthly wages they received from the company. Workers also distributed leaflets concerning the same issues outside the factory after the end of their work shifts that was signed and bore the names of nine of the workers who are union leaders in the factory.

1. March 27, 2018 - Interrogation and Threats of Adverse Treatment for Associational Activities by Shahi Managers and Supervisors

On the afternoon of March 27, 2018, employee Manja Nayak was called on two occasions to the office of the Shahi factory's Production Manager, Chandru. There, Manja was interrogated repeatedly by Production Manager Chandru, the factory Human Resources Manager, Vivek, and Manja's Supervisor, Suresh, about his associational activities, specifically, circulating the union's petition for better working conditions among his co-workers. The managers and supervisor told Manja that circulating the petition was futile and threatened to change his job assignment every day unless he ceased his union activities. These threats and interrogations represented a clear violation of the worker's freedom of association.

any physical, sexual, psychological or verbal harassment or abuse. Licensees will not use or tolerate any form of corporal punishment.”); ILO Convention 111 (Discrimination) (“Discrimination includes--(a) any distinction, exclusion or preference made on the basis of ... sex, religion ... or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.”); ⁷ The Indian Scheduled Caste and the Scheduled Tribe (Prevention of Atrocities) Amendment Act, 2015, § 3 (I) (making unlawful “[w]hoever ... intentionally insults or intimidates with intent to humiliate a member of a scheduled caste ... in any place within public view;(s) abuses any member of a scheduled caste ... by caste name in any public view.”); The Indian Penal Code, 1860, §§ 352 (“Whoever assaults or uses criminal force to any person ... shall be punished with imprisonment....”); 356 (“Whoever assaults or uses criminal force to any person, in attempting to commit theft on any property which that person is then wearing or carrying shall be punished with imprisonment”), 499 (making unlawful “[w]hoever by words ... makes ... any imputation concerning any person intending to harm, or knowing or having reason to believe that such imputation will harm, the reputation of such person, is said ... to defame that person... [including]... [to] lower[] the character of that person in respect of his caste....”), and 509 (“Whoever, intending to insult the modesty of any woman, utters any word ... intending that such word or sound shall be heard, or that such gesture or object shall be seen, by such woman ... shall be punished with simple imprisonment....”).

2. March 28-30, 2017 - Surveillance, Attempted Bribery, Interrogation, and Other Interference with Associational Activities by Production Manager

On the morning of the following day, March 28, 2017, employee Manja was again called to the office of the Production Manager, Chandru, who again told him to cease his union activities. Production Manager Chandru physically searched Manja and confiscated from him the union's petition for better working conditions with employees' signatures on it. Production Manager Chandru told Manja that the company would increase his wages and promote him if he stopped associating with the union.

On the afternoon of March 30, Nagaratna, an employee who was active in the union organizing efforts, was called by her supervisor, Somu, to the office of Production Manager Chandru. There, Chandru showed Nagaratna the petition that Chandru had confiscated from the employee, Manja, and asked if Nagaratna had also been circulating it. Nagaratna acknowledged that she had done so, and stated that the petition was raising legitimate issues of concern to many workers that the employees wished to discuss with the management.

Shahi management's confiscation of the union's petition with workers' signatures constituted both interference with and surveillance of workers' associational activities, both clear violations of freedom of association. The company's attempt to bribe the employee, Manja, to cease his union activities, and its interrogation of the employee, Nagaratna, using the improperly confiscated petition, also represented very serious violations of associational rights.

3. March 30 – April 2, 2018 - Threats of Mass Termination, Interrogation, and Incitement of Workers Concerning Associational Activities, by Shahi Production Managers

“[D]o not sign any document that the union gets to you. If you are seen signing anything, then we will terminate you.... You will be left to starve if the union is formed as the factory will then close down. There are some workers amongst you who are trying to stab you in your back. Beware of them.”
– Shahi Production Manager,
March 30, 2018

Also on March 30, 2018, Shahi's Production Manager, Chandru, its Assistant Production Manager, Narsimha, and its Human Resources Managers, Vivek, Avinash, Ajit, and Mahima, called workers in groups to the factory canteen. There, Production Manager Chandru told workers that, “If a union is formed, then the company will be forced to shut the factory... [and] every worker will lose their job and livelihood.” He added that, “There are people inside the factory who are trying to snatch your bread and butter. They want to starve you and make you unemployed.”

Production Manager Chandru then asked the workers to raise their hands if they had signed the union's petition for better working conditions. He told the employees, “Do not sign anything that any union person asks you to sign. Ask us before signing on anything. If any person is

found to be signing on to anything to do with the union then that person would not be spared.” Assistant Production Manager Narsimha also asked workers which employees had been circulating the union’s petition.

Throughout the day on April 2, 2018, Shahi’s Production Manager, Chandru, its Assistant Production Manager, Narsimha, and its Human Resources Managers, Vivek, Avinash, Ajit, and Mahima continued to hold meetings with workers in groups in the factory canteen. At these meetings, Shahi’s Production Manager, Chandru, also asked workers, “All those who have signed on the union document raise your hands,” and told them, “From now on please do not sign on any document that the union gets to you. If you are seen signing anything, then we will terminate you.” The manager added, “You will be left to starve if the union is formed, as the factory will then close down. There are some workers amongst you who are trying to stab you in your back. Beware of them.”

In a separate meeting at around 11:00 a.m. the same morning, Shahi Floor Production Manager Umesh told employees in his section, “If you workers want to increase your wages, then the factory would incur losses and be forced to shut down. The company would not lose out as the orders would be shifted to another factory. It is only the workers who would stand to lose as they would then be starving on the streets. So you have to decide what you want. Would you want the union to come in and destroy your life?”

The company’s repeated threats that the workers’ continued union activities would result in their termination and in the closure of the factory, and its interrogation of employees regarding their union activities represented very serious violations of freedom of association. Moreover, the company’s statements to workers that those employees involved in union activities “want to starve you and make you unemployed” and “are trying to stab you in the back” represented a clear and deliberate incitement of employees against their co-workers for the latter’s associational activities – a further severe violation of this right – and were an exacerbating factor in the violence that shortly thereafter ensued.

4. April 2 and 3, 2018 - Further Surveillance and Interference with Union Activities by Shahi Managers

On April 2 and 3, while activists from the union were distributing literature, Shahi managers and supervisors, including the Production Managers, Chandru and Narsimha, the Human Resources Managers, Vivek, Ajit, Avinash, and Mahima, and the Quality Control Supervisor, Rajshekhar, stood outside the factory gate when workers were entering and leaving, telling workers not to speak to union activists and not to sign the petition for better working conditions. Company supervisors also joined with local thugs to surround the union activists and heckle them, interfering with their activities. This surveillance of and interference with the workers’ and union’s associational activities represented yet a further violation of freedom of association by the company.

5. April 3 – Sex-based Verbal Abuse and Harassment, and Attempt to Suborn False Testimony by Shahi Managers

On April 3, the female employee, Thyamma, who had signed the union’s petition outside the factory in sight of the company managers and supervisors, was called to the office room of Production Manager Chandru, where Human Resources Manager Avinash and Supervisor Rajshekhar were also present.

Supervisor Rajshekhar verbally abused the employee, Thyamma, in sexual terms, calling her a “criminal and a prostitute.” The supervisor told the employee that, despite her being specifically asked by company not to sign the petition or interact with the union, she had done so while all the managers were present, defying everything that the managers had told to her and the other workers the previous day.

Production Manager Chandru demanded that the employee, Thyamma, write on a sheet of paper that he produced that she was forced by the union to sign its petition and that the union was giving workers money to collect signatures on the petition. After Thyamma refused to sign the false statement, she was taken to the office of her direct supervisor, Rajshekhar, where the Human Resources Manager, Mahima, made the same request, which the employee again refused.

Shahi management’s sexually-based verbal abuse and harassment of, and attempt to suborn false testimony from the employee, Thyamma, also represented further violations of both freedom of association, and the prohibitions of such mistreatment under brand and university codes of conduct, Indian law. and international labor standards.

6. April 4 - Death Threats, Threat of False Imprisonment, Incitement of Violence, Physical Assaults and Battery, and Verbal Abuse, including on Account of Sex, Caste and Religion, by Shahi Managers

a. Caste-based Verbal Abuse, Death Threat and Threat of False Imprisonment Against Employee by Shahi Human Resources Manager

The Human Resources Manager, Vivek, asked the employee, Ameen, for his home address and then told him that Shahi management would send thugs to his house to kill his entire family. (April 4, 2018)

On the morning of April 4, 2018, the employee, Ameen, who, on the previous day outside the factory, in view of company managers and supervisors, had signed the union’s petition for better working conditions, arrived at the factory shortly after 9:00 a.m. He was summoned by the Production Manager, Chandru, who asked the employee, Ameen, how he dared defy the orders

of the management and sign the union’s petition, in front of all the company’s managers, after having been specifically instructed not to sign it.

The Human Resources Manager, Vivek, who was also present, then began verbally abusing Ameen, calling him a son of a whore and a “*hazam*” (literally, a “barber,” but meant as a caste insult, as this is traditionally considered an “unclean” occupation, occupied by low-status persons). The Shahi managers’ interrogation and caste-based verbal abuse of the employee, Ameen, also represented further violations of both freedom of association, and the prohibitions of such mistreatment under brand and university codes of conduct, international labor standards, and Indian law.

The Human Resources Manager, Vivek, also asked the employee, Ameen, for his home address, and then told him that the management would send local thugs to his house to kill his entire family. Shahi management’s death threat against the employee, Ameen, and his family members, among whom, as discussed below, is at least one other Shahi employee, his mother, also represented severe violations of not only freedom of association, but also the prohibitions on such threats of physical violence under brand and university codes of conduct, international labor standards, and Indian law.

The other Human Resources Manager present, Ajit, then took Ameen’s mobile phone and told Ameen that the company would hand him over to the police and ensure that Ameen stayed in prison. The Manager, Ajit, then phoned the local police and asked the police to come to the factory, as there was a person who was creating problems in the factory whom the management wanted arrested. Shahi management’s threat of false imprisonment against the employee, Ameen – on account of the supposed ‘offense’ of defying management by signing a petition for better working conditions – represented another severe violation of freedom of association.

b. Assaults and Batteries Incited, Organized and Committed by Shahi Production Managers and Human Resources Managers Against Two Employees

The Human Resources Manager, Vivek, then asked his fellow Human Resources Manager, Avinash, to make an announcement asking workers in the factory’s industrial engineering department to come to the factory’s ground-floor security room. After the Human Resources Manager, Avinash, made this announcement, another Human Resources Manager, Mahima, made an announcement asking the factory’s supervisors (“batch captains” and “floor-in-charges”) also to come to the ground floor security area.

Production Manager Chandru then grabbed the employee, Ameen, by his shirt collar and dragged him towards the entrance of the factory building. By this point, the employees from the factory’s industrial engineering department had arrived, and the Human Resources Manager, Vivek, directed them to beat the employee, Ameen, as he was trying to shut-down the factory, and to teach him a lesson.

The industrial engineering employees then surrounded Ameen and demanded that he tell them the names of other union members. The intimidated Ameen named the employees, Nagaratna, Thyamma, Sudha and Lata, as other leaders of the union – all of whom, as discussed below,

subsequently were also targeted for physical attack that morning at Shahi management's direction.

The Human Resources Manager, Vivek, then demanded that Ameen tell them where his parents worked. Ameen replied that his mother worked in the same Shahi factory. The Human Resources Manager Vivek then instructed the other employees to bring Ameen's mother, Dilshad, to him.

When Ameen's mother, Dilshad, arrived before the Human Resources Manager, Vivek, the manager told the employee, Dilshad, that she had given birth to a "traitor" and a "criminal" who wanted to destroy the lives of his co-workers by forming a union.

After Human Resources Manager Vivek said this, a company contractor who was present, named Panchaksari, who provides Shahi with bus transportation for the factory employees, slapped Ameen in the face. Ameen was then taken by two company employees named Chennaiah and Raghevendra to an office at the factory's reception area where the Human Resources Manager, Ajit, was present with a police officer. When questioned by the police officer about the situation, Ameen told the police officer that factory workers had formed a union and were seeking to schedule a meeting with Shahi's management to discuss issues of concern, but that the company was responding with violence toward the employees.

Subsequently both the police officer, the Human Resources Manager, Ajit, and the employees, Chennaiah and Raghevendra, exited the office, leaving Ameen there alone. About 15 minutes later, however, roughly a dozen employees led by a company floor production manager named Krishna entered. The group physically dragged Ameen out of the office and into an area where rolls of fabric rolls are kept, and there threw Ameen against a steel rack, injuring him on his right collar bone.

"We made a mistake in giving a Muslim an appointment in this factory. You have given birth to a son who wants to shut the factory and render all the workers jobless."

– Shahi Human Resources Manager to a female employee whose son was one of the employees beaten at the factory on April 4, 2018.

The Shahi floor production manager, Krishna, then told the employees to beat Ameen, as he was one of the main employees organizing the union. As Ameen was being assaulted, his mother, the employee, Dilshad, arrived in the fabric storage area, whereupon the employees attacked her as well, slapping her in the face, and then shoved both Ameen and Dilshad out the factory gates.

The instigation, direction, and organization – and, in some instances, direct perpetration – of verbal abuse and physical assaults against the employees, Ameen and Dilshad, by Shahi production and human resources managers, constituted very severe violations of not only freedom of association, but also prohibitions on physical violence and verbal abuse under buyer and university codes of conduct and Indian law.

c. Religion and Sex-based Verbal Abuse and Physical Assault Directed by Shahi Human Resources Manager Against Employee

While the employee, Ameen, was being taken away to the factory’s reception area, Shahi Human Resources Manager Vivek continued to verbally abuse Ameen’s mother, the employee, Dilshad, in religious terms, telling her, “We made a mistake in giving a Muslim an appointment [i.e., a job] in this factory. You have given birth to a son who wants to shut the factory and render all the workers jobless.”

Human Resource Manager Vivek then directed a sampling employee named Shobha to beat Dilshad, as the latter had “given birth to a bastard like Ameen.” At the Shahi human resources manager’s direction, the sampling employee, Shobha, then began abusing the employee, Dilshad, in religious and sexual terms, calling her “*thukri*” (a local derogatory term for a Muslim) and “*munde*” (literally, “widow,” but used pejoratively to refer to an adult woman as sexually loose). As discussed, Dilshad was subsequently taken to the factory’s entrance area, and, along with her son, the employee, Ameen, was ejected from the factory.

The Shahi human resources manager’s commission and direction of verbal abuse, particularly in religious and sexual terms, towards an employee, and the direction of other employees to physically beat this worker constituted severe violations of not only freedom of association – as this treatment was inflicted on the employee on account of her son’s association with the union – but also the prohibitions on verbal and physical abuse and religious and sexual discrimination under university and brand codes of conduct, international labor standards, and Indian law.

d. Death Threats and Sex-based Verbal Abuse Against and Direction of Assault and Battery of Employee by Shahi Supervisors and Managers

Around 9:30 a.m., the Supervisor, Rajshekhar, called to his office the employee and union activist, Thyamma, whom, as discussed, Rajshekhar had, on the previous day, April 3, verbally abused (calling her a “criminal and a prostitute”), and from whom the Production Manager, Chandru, had attempted to suborn false testimony against the union. Rajshekhar demanded again, that Thyamma write a letter saying that she was not part of the union and that the union members forced her to sign the union’s petition.

When Thyamma again refused, the Supervisor, Rajshekhar, began to verbally abuse her once more – including with threats of violence and death – saying, “You are a criminal, you are a drama master, you are

“You are a criminal ... and are trying to gain sympathy from others even though you are the main culprit who organized the union. ... It won’t be a sin, if people kill you and get rid of you. You should be shot and disposed of. No one will miss you.” – Shahi supervisor to female employee shortly before she was beaten and hospitalized, April 4, 2018.

an orphan and are trying to gain sympathy from others even though you are the main culprit who organized the union. That is why God has given you this suffering. It won't be a sin, if people kill you and get rid of you. You should be shot and disposed of. No one will miss you."

At this point Supervisor Rajshekhar received a telephone call, and told the caller, "I am bringing her down." The Supervisor, Rajshekhar, then ordered Thyamma to go with him downstairs to the factory's ground floor. Thyamma refused, but Rajshekhar grabbed her and pulled her downstairs.

Upon arriving downstairs, Thyamma saw the Factory General Manager, Narayan, the Production Manager, Chandru, the Assistant Production Manager, Manjunath, and the Floor Production Manager, Umesh, and the Human Resources Manager, Mahima, assembled with other employees. The worker, Thyamma, pleaded with the Human Resources Manager, Mahima, not to be harmed, saying that she (Thyamma) had done nothing wrong. Human Resources Manager Mahima replied to her, "Go and suffer the consequences of your actions."

Supervisor Rajshekhar then pushed the employee Thyamma into the crowd of employees and managers who were assembled, and told them to kill Thyamma, saying "She has no one; she is an orphan. No one will miss her." The sampling employee, Shobha, hit Thyamma with an iron ring held in her hand. Someone else twisted and tried to break Thyamma's hand.

Supervisor Rajashekar kicked Thyamma on her back and abused in her in gender-based terms, shouting, "You bitch, homeless widow [again, a term with pejorative sexual connotations], will you eat shit if the union asks you?" Other employees held Thyamma by her hair and smashed her head against the wall, and hit her face and body, and said to her, "Die!"

Thyamma fell to the ground, and Shobha, the sampling employee, sat on her and started to strangle her. At this point, the security personnel intervened and asked Shobha to let go of Thyamma, saying that she will die. Thyamma staggered out of the factory while Shobha continued hitting her.

When Thyamma left the factory, she was bleeding from her lips and was in severe pain all over her body. She could barely walk and was hospitalized at Shiva Ganga Hospital, in the Madanayakanahalli district of Bangalore before being discharged the following day, on April 5, 2018.

The Shahi supervisors and managers' individual commission and direction of other employees to commit the brutal physical beating and profane gender-based verbal abuse of this female worker constituted severe violations of not only freedom of association but also the prohibitions on verbal abuse, gender discrimination, physical abuse and assault under university and brand codes of conduct, international labor standards, and Indian law.

e. Physical Assault and Battery Directed by Shahi Human Resources Manager Against Two Employees, and Theft of Personal Property

Around 9:30 a.m., Lata, a union activist who worked in the factory's section called "Batch 9," heard that the employee, Ameen, was being beaten on the ground floor of the factory. Lata went to find her co-worker, Sudha, a union activist who worked in the factory's section called "Batch 8," and, together, the two employees went downstairs to attempt to rescue their co-worker from this attack.

Upon reaching the ground floor of the factory, Sudha took out her mobile phone to video record the attacks which she had heard were occurring. She was confronted by the sampling employee, Shobha, who, as discussed above, was acting at the direction of the Human Resources Manager, Vivek, and who grabbed away Sudha's phone (which has not yet been returned to Sudha).

The Human Resources Manager, Avinash, then pointed toward the workers, Lata and Sudha, and told the other employees who were present to beat them, as Lata and Sudha were the workers who had been repeatedly asking the management for better transportation. The sampling employee, Shobha, pushed the worker, Sudha, by the neck and tore Sudha's clothes.

Shobha, along with the other employees, Gangamma, Jyothi and Sarita, beat Sudha and pulled her hair. During the beating her *mangalsutra* (a gold and black wedding necklace which is given to the bride at marriage and typically worn for life – the equivalent of a marriage ring in Western cultures) and another gold necklace were taken from Sudha (and have not been returned). Finally, Sudha was pushed towards the entrance to the factory, where a security guard ejected her.

The employee, Lata, went to the police officer who was present, and was pleading with him to intervene and stop the violence, when the sampling employee, Shobha, and the employee Gangamma, came up, pulled Lata by her hair, took her to the factory gate and ejected her from the factory as well.

Later in the same morning, the Supervisor ("Batch-Captain"), Suresh, announced to workers in the factory's Batch 7 and Batch 8 sections that "[W]e have beaten and thrown [Sudha] out of the factory."

Shahi Human Resources Manager Avinash's direction of other employees to physically beat the two workers, Sudha and Lata, along with the theft of Sudha's personal property, constituted severe violations of not only freedom of association, but also the prohibitions on physical abuse and theft under university and brand codes of conduct, and Indian law.

f. Physical Assault and Battery Directed by Shahi Supervisor and Production Manager Against Employee, Theft of Personal Property, and Gender-based Verbal Abuse

Around 9.45 a.m., the employee Deepa attempted to leave her workstation on the factory's upper floor, but was forbade from doing so by the Shahi Human Resources Manager, Vivek. Shortly afterward, Deepa was directed to go downstairs by the Supervisor, Suresh. Upon Deepa's doing so, the Supervisor Suresh, joined by the Factory Production Manager, Chandru shouted "These whores are trying to close the factory. Beat her and kill her."

At this, the sampling department employee, Shobha, and two other workers from the same department named Jyothi and Laxmi began to beat the worker, Deepa, and pull her hair. The Supervisor, Manjunath, also shouted at Deepa saying "people of your caste should be kept with footwear."

In this attack, Deepa's clothing was torn, and her necklace, mobile phone and handbag (which contained currency and another mobile phone) were taken from her. The beating continued until another worker, named Riasunnisa, covered Deepa's torn clothes with a scarf (*dupatta*), and helped her exit the factory.

Shahi Production Manager Chandru and Supervisor Suresh's direction of other employees to physically beat the worker, Deepa, along with the theft of Deepa's personal property, and their use of caste-based and gender-based verbal abuse towards her constituted severe violations of not only freedom of association, but also the prohibitions on physical and verbal abuse, discrimination, and theft under university and brand codes of conduct, and Indian law.

g. Physical Assault and Battery Committed and Directed by Shahi Production and Human Resources Managers

Around 10:25 a.m. that morning, the Human Resources Manager, Mahima, came to the factory's finishing department and began shouting that one of the employees, the washing operator, Krishna J.T, was part of the union. A Shahi Packing Supervisor named Nagaraj then told the employee, Krishna J.T., to go downstairs and meet the Factory Production Manager, Chandru.

Upon going downstairs on the Supervisor's direction, the employee, Krishna J.T., was confronted by the Shahi Assistant Production Manager, Manjunath, who struck him on the forehead.⁸ Shahi Human Resources Manager Ajit and a Floor Production Manager named Krishna then directed the industrial engineering and sampling employees already gathered there to beat the employee, Krishna J.T., as well, as he was also a member of the union.

⁸ According to factory employees, the same Shahi production manager, Manjunath, reportedly was involved in a previous assault on an employee, in 2017, in which he intentionally burned the worker's hand with a hot iron. The worker was compensated by the company, but the manager, Manjunath, remained employed at the factory.

At Shahi Human Resources Manager Ajit's and Floor Production Manager Krishna's direction, the industrial engineering and sampling employees present began beating the employee, Krishna, J.T., and continued doing so until a police officer who was present grabbed the latter and pushed him out through the factory gates.

The Shahi human resources and production managers' commission and direction of physical assault and battery of this employee constituted severe violations of not only freedom of association, but also the prohibitions on physical violence under university and brand codes of conduct and Indian law.

h. Physical Assault, Battery and Theft of Personal Property Against Employee Committed and Directed by Shahi Supervisor

Sometime in the morning after 10:00 a.m., the employee, Manja Nayak, from whom the factory production manager, Chandru, had confiscated the union petition (see above, Page 7), who was upstairs, was told that he was being sought downstairs in the factory as well. Manja hid himself

“We were very liberal in allowing you to work in this factory. Your caste is only fit to clean bathrooms. How dare you ask for an increase in wages?” - Shahi supervisor to worker before physically assaulting him on April 4, 2018.

in the second floor restroom; however, an industrial engineering employee and another employee from the factory's cutting department found him there and physically dragged him downstairs.

Upon being brought downstairs, the employee, Manja, was confronted by his supervisor, Suresh, who verbally abused him in caste-based terms, saying, “We were very liberal in allowing you to work in this factory. Your caste is only fit to clean bathrooms. How dare you ask for an increase in wages?”

Supervisor Suresh then grabbed the employee Manja by the neck and broke-off a gold chain necklace that Manja was wearing (and that has not been returned to Manja since this incident).

The Supervisor, Suresh, along with a number of other employees, including the sampling employee, Shobha, and the employees, Jyothi and Sarita, then physically struck the employee, Manja, including on the back of the neck with a sharp object. Upon receiving these blows, the employee, Manja, fell to the ground. He was pulled up by a police officer who then pushed him out of the factory gate.

The Shahi supervisor's verbal abuse of this employee, particularly in caste-based terms, and the supervisor's personal participation and direction of other employees in physically beating this worker, along with the theft of the worker's personal property, constituted severe violations of not only freedom of association, but also the prohibitions on both verbal and physical abuse and socio-religious discrimination under university and brand codes of conduct, international labor standards and Indian law.

i. Caste-based Verbal Abuse and Direction of Physical Assault by Shahi Human Resources Managers

Upon learning that the employee, Ameen, was being beaten, the female employee and union activist, Nagaratna left her work area, went downstairs, and approached the Human Resources Manager, Vivek, to speak with him about the violence. Human Resources Manager Vivek told Nagaratna that he was not interested in talking to her.

The Factory Production Manager, Chandru, and the Human Resources Manager, Avinash, who were also present, began to verbally abuse the employee, Nagaratna, in caste-based terms. Factory Production Manager Chandru said, “This woman [Nagaratna] is not fit to be a worker. Her caste is meant to burn dead people and that is what she should be doing. Beat her and throw her out.”

“This woman is not fit to be a worker. Her caste is meant to burn dead people and that is what she should be doing. Beat her and throw her out.”

– Shahi production manager, ordering physical assault of a female worker, April 4, 2018.

Human Resources Manager Avinash agreed, “[This] [l]ow caste person should be beaten and thrown out.” As directed by the Shahi managers, the sampling employee, Shobha, then came up and began beating the employee, Nagaratna. She pulled Nagaratna’s *saree* and hair, until a police officer intervened and escorted Nagaratna out of the factory.

The Shahi managers’ verbal abuse of this employee, particularly in caste-based terms, and direction of another employee to beat this worker constituted severe violations of not only freedom of association,

but also the prohibitions on both verbal and physical abuse and socio-religious discrimination under university and brand codes of conduct, international labor standards, and Indian law.

j. Complicity in or Direction of Assault and Battery and Theft of Personal Property by Human Resources and Production Managers

Around 10:45 a.m., the employee, Ratna, who worked in the section of the Shahi factory called “Batch 4,” was told by an employee from the industrial engineering department named Chaitra that the Factory Production Manager, Chandru, was calling for her. The industrial engineering employee, Chaitra, took the worker, Ratna, to the factory’s boiler area where Chandru was standing, along with the Human Resources Managers, Vivek and Ajit, the sampling employee, Shobha, and the employee, Gangamma.

The industrial engineering employee, Chaitra, along with the sampling employee, Shobha, and the employee, Gangamma, began to beat the employee, Ratna, in the presence of the Shahi managers, Chandru, Vivek, and Ajit, who did not intervene. Ratna was grabbed by her hair and

by a gold necklace that she was wearing. The necklace broke and fell off (and to date has not been returned to Ratna). Ratna was struck in her stomach and on her back before a police officer intervened and took her outside through the factory gate.

The Shahi managers' complicity in, or, more likely, direction of, the physical beating of this worker, along with the theft of the worker's personal property, constituted severe violations of not only freedom of association, but also the prohibitions on physical abuse under university and brand codes of conduct.

7. April 5-16 – Continuing Threats of Termination and Physical Assault and Incitement of Violence Against Employees, Suspension of Fifteen Worker Activists

After the violent attacks of April 4, Shahi managers told the employees still working in the factory, in a meeting held on April 5, that the company had beaten and thrown out the employees who were union members, and that any other worker who attempted to form a union would be beaten and thrown out of the factory as well. Around April 15, the Factory Production Manager, Chandru, held a meeting with the workers in the factory and announced that the union activists had ceased coming to the factory because they were "scared." Chandru told the employees that if the union activists came to the employees' homes, the employees should beat them.

Shahi communicated to employees inside the factory that if these workers did come back and seek to exercise associational rights, they would be subjected to further violence. The ten employees who were the direct victims of the physical assaults on April 4, and who were expelled from the factory that day have not returned to work, justifiably fearing that this would expose them to further violence. Moreover, as discussed below, five other employees associated with the union also have not returned to work since that date out of fear for their own safety.

The employee, Riasunnisa, who, as discussed above, helped extricate from the factory her co-worker, Deepa, who was being beaten at the direction of Shahi management, left the premises at the same time and has not tried to return since April 4. The employee, Shabeena, also was present in the factory on April 4 when, at around 3:00 p.m., she was called by her supervisors who told her to leave the factory, as she had signed the union's petition and managers were looking for her. Shabeena quietly left the factory and also has not tried to return.

Also on April 4, the employee, Laxmi, was directed by her supervisor, Narasimha, to report downstairs to the Production Manager, Chandru. When she arrived downstairs heard shouting she asked a policeman who was standing nearby why she had been summoned. The policeman then urged Laxmi to leave the factory immediately for her own safety. Laxmi did so and has not tried to return to the factory since April 4.

The worker, Harsha Kumar, who is a friend of the employee, Ameen – who was beaten and received a death threat on April 4 – was on leave from the factory on that day. Fearing that he, too, would be targeted for attack, Harsha Kumar has not tried to return to the factory. The

worker, Arbaz, who is a union member, was also on leave on April 4, but tried to return to work on April 5. When he arrived at the factory he was refused entry by the Shahi managers, Vivek, Chandru, Avinash, and Santosh on the explicit grounds that he was associated with the union. Between April 5 and May 22, Arbaz returned to the factory on two more occasions, and was refused entry on both times.

The Shahi managers' threats to all employees of discharge and physical assault to any employee who engages in union organizing, its further incitement of employees to violence against union organizers and its suspension of the employment of the nine workers who were the victims of the violence on April 4, all constituted severe violations of not only freedom of association, but also the prohibitions on threats of physical abuse under university and brand codes of conduct, and Indian law.

IV. Recommendations for Corrective Action and Remediation

Meaningful remediation of severe violations of freedom of association and other fundamental workplace rights, such as Shahi management has committed at its Unit 8 factory, requires three key elements. First, the workers most directly and severely affected by the company's abuses – those who were the victims of the physical violence and/or have been suspended from their employment – must be restored to their prior status in the factory and made completely whole for their losses, including not only their loss of income, but also any medical costs and/or pain and suffering from their injuries, and the replacement costs of any personal property that was taken from them (most significantly here, gold jewelry and mobile phones).

Second, the Shahi managers and supervisors responsible for the violence must be held accountable, in a manner proportionate to their involvement and culpability. In particular, any manager or supervisor who directed or personally engaged in or threatened any act of violence must be terminated. Violence has no appropriate place in the management or supervision of any workforce and demands a position of zero tolerance on the part of a company's leadership and on the part of those other firms that are its business partners. Other managers who were clearly complicit in violence, but did not play a direct role in it, must also be held accountable through meaningful discipline.

Third, severe violations of freedom association and expressions of prejudice – including those based on sex, religion, or caste – have an inevitable chilling effect on exercise of associational rights and an intimidating impact on members of disfavored groups, across a factory's workforce as a whole. This effect and impact must be counteracted by the company not only communicating in word, but also demonstrating in action, respect for these rights, including by recognizing the workers' union and engaging with it in collective bargaining.

Therefore, at Shahi the following corrective measures are needed:

- Those workers who have been physically assaulted and constructively suspended from their jobs must be immediately returned to work with full back pay, compensation for their injuries, pain and suffering,⁹ and loss of personal property suffered during the April 4 attack, and a written apology from the company;
- All managers and supervisors involved in such violations, either actively or by allowing them to occur on factory premises, must be meaningfully disciplined. In particular, those who actually directed or perpetrated physical violence or death threats against workers, as identified in this report, must be terminated,¹⁰ and those who were otherwise complicit, must also be disciplined and transferred to a different facility. Employees who engaged in acts of violence against other workers, even though it was at the express direction of their managers and supervisors, must be disciplined as well; and
- Shahi management must demonstrate its commitment to respect associational rights and to refrain from sex, caste, or religious-based abuse, by:
 - Directly acknowledging this policy to workers in a statement approved in advance and witnessed in its delivery by the WRC and other stakeholders, to be read aloud to all workers by their direct line supervisors;
 - Formally recognizing the KOOGU union and committing to a schedule of negotiating sessions at which it will bargain with the union in good faith concerning issues of concern to workers; and
 - Permitting representatives of the KOOGU union access to the factory to meet with employees on non-work time in non-work areas.

Any set of corrective measures taken that do not include these basic elements will fail to remedy the harms already suffered by the affected employees or to correct the damage done to the associational and other rights of all workers by Shahi management's campaign of violence, threats, and intimidation. Therefore, the WRC has urged brands and retailers that are business partners of Shahi to require these remedial measures be taken promptly, as a minimum condition of future commercial relations with the company.

V. Shahi and Brands' Response and Status of Corrective Action and Remediation

With the exception of the U.K. retailer, Tesco (which did not acknowledge receipt of the WRC's communications), all of the brands with whom the WRC shared the findings and recommendations in this report – including the university licensee, Columbia Sportswear; other

⁹ The WRC has recommended to Shahi and its buyer brands that the most badly-beaten employee, Thyamma, receive an additional U.S. \$ 5,000 from the company for her pain and suffering.

¹⁰ As discussed above, the Shahi managers and supervisors who personally directed or committed violence against employees are: the Human Resources Managers, Vivek, Ajit and Avinash, the Production Manager, Chandru, the Assistant Production Manager, Manjunath, the Floor Production Manager, Krishna, and the Supervisors, Rajshekhar and Suresh, In addition, the sampling department employee, Shobha, was identified as having committed multiple brutal acts of violence against other employees at the direction of supervisors and managers. No credible remediation of the freedom of association violations at the company can be considered completed if any of the individuals named above remain employed by Shahi at any facility.

brands that are buyers from the Unit 8 factory (Abercrombie & Fitch, Benetton and H&M); and those brands that are buyers from Shahi at its other production facilities (American Eagle, C&A, Children's Place, Decathlon, Gap, Inditex (Zara), Marks & Spencer, Primark, Puma, PVH, Uniqlo, VF (Vans, other brands), and Walmart) – responded to the WRC by indicating they were contacting Shahi concerning the situation at the Unit 8 factory.

Following this initial engagement – and further communications among the WRC, Shahi, and these brands – Shahi indicated that it is willing to take certain measures to address the violence and other abuses at the factory. However, as discussed further below, Shahi still refuses to take many of the key actions that are necessary to redress the harms caused by the company to its workers and restore their right of freedom of association. Most significantly, Shahi has not committed to take any disciplinary action against any of the managers, supervisors, and employees identified in this report as responsible for violence and other severe abuses against factory workers, or to recognize and engage in collective bargaining with the workers' union.

Moreover, and quite troublingly, none of the brands that are Shahi's buyers, either from the Unit 8 factory or from Shahi's other production facilities, are requiring Shahi's management to take these crucial steps – with the result that all of the individuals responsible for the violence are still employed by Shahi, and most are still working inside the Unit 8 factory. The failure of Shahi and its buyer brands to make adequate commitments regarding corrective actions to address the violence and other abuses at the Unit 8 factory are discussed in the remainder of this section.

A. Reinstatement of Workers with Back Pay

Shahi has offered reinstatement with back pay to 12 workers who were suspended by the factory after the violence on April 4, including the 10 workers who were physically assaulted. However, the company has not made a clear reinstatement and back pay offer to three other employee union members who were not formally suspended by the company, but have not returned to work since that time, either because of justifiable fears of violence, or because the management has refused them entry.

Moreover, those offers of reinstatement that the company has made to workers appear to be conditional and suppressive of their associational rights. Some of these workers reportedly have been told by the Shahi managers who contacted them to offer reinstatement that the employees should refrain from union activity upon their return to the factory. And the letters offering reinstatement that workers received from the company, which the WRC has reviewed, state that this offer is being made “solely for reasons of giving you [the worker] an opportunity to prove yourself,”¹¹ suggesting that the employee must show herself worthy of employment by Shahi – rather than that the onus is on Shahi to demonstrate that it will ensure her physical safety and respect her rights.

¹¹ Shahi Exports Pvt. Ltd., Letters Revoking Suspension Orders (Jun. 2, 2018) (copies on file with WRC).

The WRC recommends that Shahi be required to issue new letters of reinstatement to all the affected workers that indicate: (1) the effective date of the reinstatement offer; (2) the amount and calculation of the back pay to be paid to the worker; and (3) that, upon their return, employees will be free to continue their union activities in non-work time, in non-work areas or facilities of the company, without interference or retaliation – and which do not contain any conditional language. Finally, Shahi should be required to provide access to the factory to the WRC and other stakeholders to observe these employees' receipt of back pay from the company and their return to work.

B. Termination of Violent Managers, Supervisors, and Employees

The WRC's report identified by name and called for the termination of nine Shahi managers, supervisors, and employees who directed or personally committed acts of violence against factory workers – as a necessary measure before the workers they attacked return to the factory. This action is essential both as a measure of accountability for these individuals – to show that such violence cannot be committed with impunity – but also to help reverse the chilling effect of their criminal misconduct on workers' exercise of freedom of association. Not taking these measures would mean that workers at Shahi Unit 8 or the company's other factories would continue to have to work under or alongside persons who committed violence against employees simply on account of the latter engaging in fundamental associational activities.

Unfortunately, Shahi has not committed to disciplining any of these violent individuals and, instead, has only indicated that it will “transfer” three of them, presumably to continue to work for Shahi at its other factories. Moreover, Shahi and the brands that are Shahi's buyers are instead taking the position that any disciplinary action against these individuals can only be taken based on as-yet uncompleted investigations of the violence at the factory, to be conducted by, variously, Shahi's own management, the local police or an NGO approved by Shahi, itself – none of whom would constitute an objective factfinder on this issue.

In particular, Benetton and H&M, along with Shahi, itself, have taken the position that a determination of what discipline is appropriate for these individuals should depend on the result of a local police investigation. However, as the police were actually present at the factory at the time of the violence, at Shahi's request, and took no action to prevent the violence or arrest those responsible, they also cannot be viewed as independent in this matter. Taking the position that accountability for the members of Shahi's management who have engaged in violence against workers should depend on the conclusions of parties that clearly are or would be biased in the managers and supervisors' favor is equivalent to not requiring such accountability at all.

C. Compensating Workers for Medical Expenses, Stolen Property, and Pain and Suffering

Shahi has agreed to provide the 10 workers who were physically assaulted with an apology and compensation for their out-of-pocket medical expenses for treatment of their injuries, and, where

it has been lost, compensation for personal property taken from them during these assaults. The latter includes jewelry (including, in one worker's case, her Hindu wedding necklace), a purse and its contents and mobile phones. On urging from the WRC, the company has committed that where, as may well be the case for some workers, employees are not able to produce receipts for such items, Shahi will accept estimates of the value of workers' losses as the basis for payment.

Shahi has also indicated, however, that certain personal property taken from workers on April 4 ended up in police custody. Shahi's position with respect to these items is that workers, themselves, must retrieve them, from the police. As having to do so might well expose workers to further intimidation or coercion, the WRC calls upon Shahi, itself, to ensure that these items are returned to workers.

Finally, with respect to the WRC's recommendation for US \$5,000 in additional compensation for pain and suffering to be paid by Shahi to Thyamma, the worker who was subjected to the worst beating and abuse on April 4,¹² Shahi has proposed the amount of this compensation be set, instead, by a local NGO called Janodaya. However, both Shahi and its buyer brands have already acknowledged that the same NGO is being paid by Shahi's management to assist it in responding to the violence on April 4. Therefore, Janodaya cannot be considered a neutral party on the subject of how much compensation its client, Shahi, should pay to this worker for pain and suffering sustained from a beating that Shahi's own management ordered.

D. Restoration of Freedom of Association

Shahi has agreed to make an announcement in the Unit 8 factory that it will respect freedom of association, and said that it is "open" to recognizing the workers' union, should it be registered with the labor authorities. However, the company has not actually committed to recognition of the union – which is, in fact, already registered with the state government¹³ – or to engaging in good faith negotiations with the union over workers' concerns.

Moreover, Shahi has not agreed to share a copy of the announcement concerning freedom of association that it intends to deliver to the factory workers in advance with the WRC and other stakeholders, or to have the statement actually read by supervisors to the workers in their charge. Both of these conditions are essential to ensuring that the content and delivery of the announcement (which must also address the issue of abuse based on gender, caste, and religion) are effective in communicating to employees that they will be safe from retaliation if they exercise associational rights in the factory.

Finally, Shahi and its buyer brands also have failed to respond to the WRC's recommendation that it provide access to the factory to union representatives to meet with employees on non-work time in non-work areas. This measure, along with formal recognition of the union by Shahi and a

¹² See, *supra*, n. 9.

¹³ State of Karnataka Labour Department, Certificate of Registration (Jul. 7, 2009) (copy on file with WRC).

commitment by the company to engage in a schedule of collective bargaining sessions with the union, are all necessary to establish an atmosphere in the factory where the chilling effect of management's violence and other retaliation are reversed and workers feel secure in exercising freedom of association. Unfortunately, despite the fact that university and brand codes of conduct uniformly require respect for freedom of association,¹⁴ none of the brands that are buyers from Shahi Exports Pvt. Ltd. have required Shahi management to commit to take these measures, which are essential if Shahi workers' associational rights are to be vindicated.

VI. Conclusion

The WRC's investigation of recent violence and other abuses of workers at the Shahi Unit 8 factory has documented a severe case of anti-union retaliation, at a factory making university licensed goods, which is, in turn, owned by a longtime supplier to many of the world's largest apparel brands and retailers. It is among the worst such cases that the WRC has encountered in recent years.

The WRC has articulated clearly to Shahi and to the brands and retailers that are its business partners the specific steps that are needed to restore compliance with university and brand codes of conduct, international labor standards, and Indian law. Unfortunately, Shahi, to date, has not agreed to take these steps, and, instead, seems to be treating the much more general requests for corrective action that it has received from many brands as permission for its management to avoid accountability altogether.

The violent retaliation inflicted on workers at the Shahi Unit 8 factory involved the kind of deliberate and severe abuses that no apparel brand, retailer, or manufacturer can – or should – have any tolerance for, anywhere. The WRC continues to urge all brands and retailers that are business partners of Shahi Exports Pvt. Ltd. to communicate to Shahi's management that it must commit to implement the crucial remedies called for in this report, which are needed to reverse the harms done to individual workers, hold managers, supervisors, and other employees accountable for their misconduct, and restore the environment in its factory for exercising associational rights.

¹⁴ See, *supra*, n. 6.