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WRC Issues Report Alleging Abuse and Violence in Shahi Exports Factory in Bangalore

Shahi Exports has come under fire for allegedly beating and threatening activist employees in one of its factories.

By Rosemary Feitelberg on June 22, 2018



Shahi Exports' Unit 8 factory in Bangalore.

A new report by the Worker Rights Consortium alleges unionseeking workers in one of Shahi Exports' factories in Bangalore were threatened and beaten by managers.

With 50 factories in <u>India</u> and approximately 70,000 employees, Shahi is a leading supplier to brands and retailers. Known as Shahi Unit 8, the Bangalore factory in question makes goods for H&M, Benetton, Columbia Sportswear Co. and Abercrombie & Fitch, according to the WRC. As a result of the April 4 incident, 15 employees' activists were terminated and 10



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were assaulted — with one suffering a spinal injury and another being "nearly strangled," according to WRC executive director Scott Nova. Those claims were corroborated by the testimony of multiple witnesses and by the victim herself, he said.

"Under pressure, Shahi has offered to reinstate the employees with back pay, but is refusing to fire the people who assaulted them and issued death threats. For obvious reasons, the workers are very reluctant to return to a factory where the people in charge are the people who beat them and threatened to kill them," Nova said.

After identifying eight managers and supervisors, and one nonsupervisory employee that the group holds responsible for the incident, the WRC has asked Shahi executives to fire these individuals. Thus far, their only proposal is to transfer three of those people temporarily, pending the outcome of their own investigation. "Which is to say, Shahi's investigation of Shahi. For obvious reasons, that is not a credible inquiry. As of now, they are not taking any action. It's been 10 weeks. Nobody's been fired," Nova said.

In a statement issued by a spokeswoman Thursday, Columbia said it "takes seriously any allegations of violations of fair labor standards and continuously monitors all of our sites to ensure safe and fair working conditions. It has come to our attention that there are allegations of violations of fair labor practices at the Shahi factory, in Bangalore, <u>India</u>. We have insisted that Shahi management take immediate action to address the situation, including: reinstate suspended workers, pay medical expenses of workers, return any personal property of workers, engage in constructive and meaningful engagement with the union, and discipline any employees that are found to have engaged in violence or acts of discrimination. We have also insisted that Shahi formally and publicly reconfirm their commitment to freedom of association and to maintaining a safe and nondiscriminatory workplace. We understand that the people who have been accused of violence have been suspended pending investigation. We have required Shahi to undertake these actions immediately and we will monitor progress with weekly meetings. If meaningful and prompt progress is not









made toward meeting these requirements, we will take necessary steps, including reducing or ceasing production in the factory."

But Nova presented a different story. "The brands have supported the idea of reinstatement, but have been unwilling to require Shahi to terminate the managers who committed the violence. We've also asked the brands to recognize the union and bargain with the union, which was what the workers were seeking and was the reason Shahi attacked them in the first place."

An H&M spokeswoman said, "We are deeply concerned by the alleged abuse against workers at one of our suppliers. We have an ongoing dialogue with the legal worker representatives, which are supported by IndustriALL Global Union, as well as the supplier. We believe it is important that the legal parties resolve this dispute and we have since April handled this with priority and been facilitating the dialogue between them to find a solution.

Three years ago the H&M Group signed a Global Framework Agreement, GFA, with the global trade union IndustriALL and the Swedish Trade Union IF Metall. "Apart from acting as a framework for local capacity building, this has also proved to be a good platform to engage around dispute resolutions," she said.

The H&M statement read, "Our position is that the right to join or form a trade union and bargain collectively is a fundamental right of workers. The core to our social sustainability strategy is to support a well-functioning dialogue between workers' representatives and employers, to strengthen the voice of the workers and to enable these rights. We also believe that the safety and the well-being of the workers should be a priority at all times. Workers' representatives shall not be discriminated against and shall have access to carry out their representative functions in the workplace. Even in the absence of a trade union in factories, workers should have means of speaking their voice to raise employment-related issues without the risk of retaliation."



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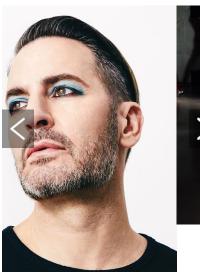
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Executives at Benetton did not respond to requests for comment and an Abercrombie & Fitch spokeswoman offered the company's sustainability policy as a response.

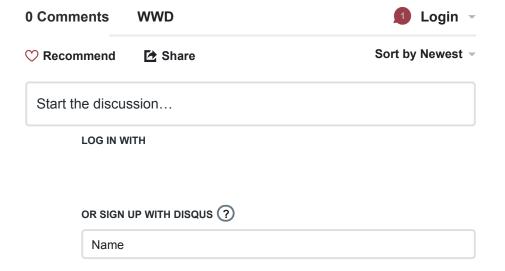
Claiming that Shahi "has succeeded in terrorizing the workforce" at the aforementioned facility, Nova said the union now can't get eight people to attend a meeting where they had "hundreds in the past." From his perspective, "the only way to right the wrong and enable workers to exercise their rights going forward is to get rid of the managers that attacked them and force the brand to actually deal with the union as a representative of workers. If those two things don't happen, Shahi will have succeeded in destroying workers' efforts to exercise their rights. There will be no union at Shahi Unit 8," Nova said. "The brands understand that, but they're refusing to take the necessary action. Effectively, it makes a mockery of their own codes of conduct."

Nova also challenged how effectively the brands enforce their own labor standards, considering Shahi has been a major supplier for the leading apparel and retail brands in the world. The WRC plans to keep pressuring brands with the hopes that if the brands move, Shahi will also move.

Nova added, "What should have happened in a case like this, if the brands were serious about their codes, they should have told Shahi the moment they found out about this, 'We will not place a single additional order at any of your factories until the people who did this are fired, the workers are back at work and the union is recognized. If they had taken this position, this would have been addressed two months ago."



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