## **GLOBAL LABOR** JUSTICE

"We used to keep our concerns to ourselves, too afraid to ask for help from HR, fearing it might make things worse at work. Through the Dindigul Agreement training, we now stand strong and empowered, confident to voice our concerns. Our fellow women workers trust us and our capacity to resolve the problems they face."

-Vigneswari, Shop Floor Monitor, **Quality Checker** 



"The agreement has created a space of social dialogue between union and management. This has enabled us to help both workers and management improve working conditions as well as efficiency of production. Transparent conversations are happening between management and workers, and I can see that workers' willingness to work for this factory, their confidence, and trust in management has improved."

> Thivya Rakini, Tamil Nadu Textile and Common Labor Union (TTCU)



First announcement posted about the TTCU and union rights at the factory

## 66 The Dindigul Agreement is meeting its primary goal of eliminating, remediating and preventing Gender-based Violence and Harassment. 99

-Independent Year 2 Progress Report, Global Labor Institute, Cornell University, September 2024



A new independent assessment by Cornell University's Global Labor Institute (GLI) finds that the Dindigul Agreement has successfully eliminated, remediated, and prevented GBVH. GLI found that 100% of GBVH-related grievances were resolved, 73% of which were resolved through bi-weekly union-management meetings. Most grievances were resolved within two weeks. In 20% of cases, the grievances were solved within one day.

The report also found that, while the Dindigul Agreement was designed and implemented specifically to address GBVH, the structures, practices, and culture created through its implementation have led to the quick and productive resolution of a variety of shop floor issues. Of the more than 200 grievances raised and addressed through the agreement, most concerned occupational health and safety issues, such as insufficient ventilation. GLI noted that the Dindigul Agreement demonstrates "the efficacy of a multi-tier grievance mechanism among the workers to address both GBVH and non-GBVH related grievances."

The agreement also demonstrated positive business impacts within its first year of implementation, including a 65% decrease in worker attrition, a 16% increase in worker efficiency (# of garments completed per worker per day), and a 15% decrease in garment rejection.



#### 2018

Gap.

Research convened by AFWA and partner unions exposed a spectrum and pattern of GBVH in global garment supply chains including H&M, Wal-Mart and



#### 2021

Jayasre Kathiravela garment worker and union member- was murdered by her supervisor at the Natchi factory owned by Eastman Exports.



#### 2022

The Dindiaul Agreement to End Gender-Based Violence and Harassment was signed by Eastman, garment brands, and labor stakeholders.

## DINDIGUL AGREEMENT

The Dindigul

#### 2023

Agreement Year One Progress Report found strong impact including quick and efficient resolution of grievances and positive business

consequences.

#### 2024:

The Dindigul Report Year Two Progress Report found that the Agreement is successfully remediating, eliminating, and preventing GBVH at the covered factories and spinning mill.

# 2025:

**Brands must renew** their commitment for the Dindigul Agreement to continue.



#### **Recommendations for Shareholders**

ILR Global Labor Institute

- Encourage current signatories H&M, PVH, and Gap to renew their commitment to the Dindigul Agreement including the program and sourcing requirements in advance of June 2025.
- Ask other garment brands how they plan to eliminate, remediate, and prevent GBVH in their supply chains, and how these plans incorporate the role of unions and labor protections.
- Encourage brands to mitigate GBVH risk by signing onto this agreement and sourcing from Eastman and/or bringing the agreement to new factories and spinning mills on their supply chain.

### What is the Dindigul Agreement to Eliminate Gender Based Violence & Harassment?

The Dindigul Agreement is the first enforceable supply chain agreement to address GBVH at the intersection of caste and migrant discrimination in the Asian textile industry. It covers both gender-based violence and freedom of association, which enables workers to address gender-based violence through collective action, and includes definitions and best practices from international labor standards (ILO C190, C87, and C98), OECD Guidelines for MNEs, and the National India POSH Act. Signatories to the interlocking agreements that make up the Dindigul Agreement include the supplier, Eastman Exports, the local garment workers' union, TTCU, multinational garment brands H&M, PVH, and Gap, and labor stakeholders Global Labor Justice (GLJ) and Asia Floor Wage Alliance (AFWA). The Agreement covers approximately 5000 jobs at a garment factory and spinning mill owned by Eastman Exports in Tamil Nadu, Dindigul, India.

### What are the key indicators of the Dindigul Agreement's success?

"This modification not only reflects the critical role of CBP, but it is also a testament to the important advancements made by trade unions, worker rights organizations, and workers themselves who are bravely organizing to improve their working conditions."

 U.S. Secretary of Homeland Security Alejandro N. Mayorkas on lifting of WRO at the supplier.

- U.S. Customs and Border Patrol <u>found</u> that the Dindigul Agreement provided full remediation of forced labor indicators, leading to the lifting of an import ban at the supplier.
- Within a year of implementation, stakeholders <u>reported</u> a 67% decrease in worker attrition, a 16% increase in worker efficiency (# pieces completed per day per worker), and a 15% decrease in garment rejection.
- The second year progress report by third-party assessor the Global Labor Institute at Cornell reports that more than 200 grievances have been raised, and 100% have been resolved quickly and efficiently.

## What are the biggest obstacles to eliminating GBVH in garment supply chains?

- Retaliation against workers who report GBVH
- Culture of silence and impunity for GBVH
- Lack of independent monitoring and worker voice

## How does the Dindigul Agreement uniquely address these obstacles?

The success of the Dindigul Agreement demonstrates how Freedom of Association (FOA) protections and collaborative labor-management relations are crucial to addressing GBVH. The central ongoing role played by the local union—the Tamil Nadu Textile and Common Labour Union (TTCU)—and by Shop Floor Monitors (SFMs) have built trust among workers and have made the reporting and "swift resolution of grievances" possible at Eastman. As the authors of the Year 2 Report explain, "Workers trust the grievance system and do not fear retaliation for voicing various GBVH as well as non–GBVH issues." (p.24) They observed that "the TTCU's presence in the factory functions as an effective monitoring system, with direct access to workers, resulting in rapid grievance resolution." (p.21)

### Isn't implementation of this kind of agreement costly for brands?

No. The cost of implementing this agreement is much lower than the cost of external audits because the central role of union-management meetings in the implementation process eliminates the need for costly external architectures. The cost to each brand signatory is minimal. What's costly for brands is the reputational damage and supply chain disruptions caused by the discovery of incidents of GBVH at their suppliers.

"There is both a compelling business case and a strong moral and ethical reasons for addressing GBVH in the private sector. The two are also strongly interlinked. All forms of GBVH have a range of negative impacts on the health and wellbeing of individuals and their families."

#### <u>-ERBD and IFC (2020)</u>

"Gender-based violence and harassment (GBVH) is one of the most prevalent human rights violations and business-related risks in almost all supply chains."

#### -Ethical Trading Initiative (2023)

"A gender responsive human rights due diligence approach can help prepare for new regulatory requirements through shared responsibility and action among industry actors."

#### -OECD (2024)

"There are growing legal and compliance penalties, as well as material disruptions of supply chains for companies that fail to establish controls and procedures to combat forced labor, sexual exploitation and trafficking in their global supply chains."

<u>-Criterion Institute (2021)</u>

The Global Labor Institute at Cornell's Independent Dindigul Report Year Two Progress Report shows that the Dindigul Agreement is a proven model for identifying, preventing, mitigating, and remediating GBVH in garment supply chains. Sustained sourcing commitments from garment brands is necessary for the agreements' sustainability.

"I was one of the first women who used the grievance redressal mechanism of the Dindigul Agreement to report gender-based violence; and I did that because I believed, for the first time in my life, I might receive justice."

<u>– Amalajyothi, garment worker</u>