

Mitch Butier
Chief Executive Officer
Avery Dennison
207 Goode Ave.
Glendale, CA 91205

Dear Mr. Butier,

We have been informed by the Garment and Textile Workers' Union (GATWU) about the ongoing labor rights violations in Company Avery Dennison Pvt. Ltd., in its factories at Plot No. 91/91, 7th Main, 3rd Phase, Peenya Industrial Area, Bangalore 560058, and Plot No. 6B, 1st main, Phase 1, KIADB layout, Peenya Industrial Area, Bangalore – 560 058. Avery Dennison is producing printed name tags, price tags, stickers and labels for about 130 international brands.

Despite your stated requirement that “suppliers and sub-contractors must comply with all applicable local laws and regulations”¹ in your “Global Supplier Standards”, in your factories, temporary contract workers are being treated unfairly, receiving wages lower than the legal minimum wage, and also lower than the wages of the workers with permanent contracts, despite performing the same work for years with no break, and therefore demonstrating that the work, according to local labour law, should be performed by permanent employees. Contract workers also receive less access to various employment benefits, such as suitable work equipment, marriage or funeral leave, and more. There are also considerable inconsistencies between the work contract workers are hired to do and the actual work they do. In addition, there have been attempts to prevent contract workers from joining or forming a union in the above-mentioned factories, via harassment and/or management refusal to negotiate. Over 52 contract workers have also been dismissed illegally in response to the workers joining a union. These workers are unjustly treated. Indian law, International Labour Organisation conventions, and your stated commitment to human rights and fair labour practices are being violated! You have the biggest role to play in correcting this injustice.

For your easy access, the demands and clarifying information on each have been added below. Please act now!

Demands

1. Recognise GATWU as the bargaining trade union for the contract workers.
2. Reinstate all illegally terminated contract workers;
3. Regularise all contract workers who have been in employment at least from January 2017;

¹ Avery Dennison “Supplier Standards”, Verson 2.3, Jan. 31, 2011, Page 3
<http://www.averydennison.com/content/dam/averydennison/corporate/global/English/Documents/Sustainability/PLST-Global-Supplier-Standards.pdf>

4. Pay all contract workers the correct minimum wage;

1. Recognise GATWU as the bargaining trade union for the contract workers.

GATWU is a registered trade union organizing workers in the export garment sector and its allied industries in the state of Karnataka, India. Currently GATWU has a membership of over 10,000 members who work in the supply chain of all major apparel brands of the world. GATWU has been organizing contract workers working at the Avery Dennison India Pvt. Ltd location in Bangalore for the last six months. At present, the company has more than 600 permanent workers and 300 contract workers. Two hundred and forty (240) of the contract workers are members of GATWU. While the permanent workers are being represented by a union and even have a collective bargaining agreement with Avery Dennison, the contract workers remain in a vulnerable position, where their rights are not being respected and their union is not recognized as a bargaining player. Allowing a part of their workforce to benefit from their right to be part of an union does not automatically mean that the freedom of association rights of the contract workers are being respected! By not recognizing GATWU as a bargaining actor representing the workers, Avery Dennison is knowingly violating their basic labor rights.

Even if AD allegedly has daily department meetings, a management claim that the workers are adamantly disputing, and a 'business conduct hotline' where employees allegedly can call and talk about potentially unethical behavior they are faced with, these side fora cannot possibly replace being able to join a union and to be represented by a union in the bargaining processes. And if AD is indeed committed to providing contract workers with fora in which their concerns can be heard, then meeting this particular demand should not be such a challenge.

2. Regularise all contract workers who have been in employment at least from January 2017;

On the question of who is responsible for the employees, the answer is clear: Avery Dennison! Per Indian Contract Labour (Regulation and Abolition) Act. 1970, the principle employer is wholly and solely responsible for his employees; that principle employer is indisputably Avery Dennison. Trying to put the whole responsibility on the shoulders of the two labour contractors, Adecco and Sree Udyog, is a deflection of responsibility.

GATWU did, however, attempt to meet Avery Dennison jointly with the two labour contractors. At the first scheduled meeting in October 2017 only representatives of Sree Udyog showed up. They represented their lack of good faith by bringing a worker to represent the workers' side that is not a GATWU member and therefore has not faced the harassment and backlash due to union membership. The other contractor, Adecco, never even showed up. It is important to understand that the union is made up of its membership and refusal to meet with worker representatives signifies that the company does not respect the workers' right to

freedom of association, which is number six (6)² listed in your required “Employment Standards” listed in your “Global Supplier Standards”.

At the second meeting representatives of Sree Udyog did not show up. At that meeting GATWU raised the issue of the illegal, forced termination of contract workers who were refused entry to the factory by guards. These workers, employed through the labour contractor Sri Udyog, were denied entry and told by the guards that their services were not required in the factory anymore. GATWU urged the immediate reinstatement of the workers but Avery Dennison refused. GATWU has now decided to not engage in further discussion, as the company’s intention to violate Avery Dennison standards, local labour law, and the workers’ basic rights are clear.

Our request is to immediately arrange a formal meeting with GATWU, along with representatives of Avery Denison, Adecco and Sri Udyog. Representatives of brands should also be present in order to ensure that meaningful discussion take place to stop all violations.

On the question of whether the contract workers should be regularised, the answer is unambiguous: Yes! According to law, if a worker worked for 242 days at a stretch, while observing Sunday holiday, then they have to be regularised. The Contract Workers (Regulation and Abolition) Act specifies this. Workers at Avery Dennison have been working from a span of 1 year to 13 years without breaking their service, even for a single day.

Despite the fact that these workers need to be regularised, as per Avery Dennison “Supplier Standards” and Indian law, Avery Dennison has designed a process that will prevent them from taking the lawful steps. In late December, Avery Dennison told the contract workers that they can apply (with an application involving a written test, interview, and practical test for a job they were already doing) for a permanent position directly with Avery Dennison. This is a clear union-busting tactic to buy off workers, who have not ever been offered a permanent position for the entirety of up to 13 years on the job. A majority of those who have applied have been rejected, although the majority of GATWU members have refused to apply because of the obvious ill intentions.

3. Pay all contract workers the correct minimum wage;

While Avery Dennison allegedly checks every year that the contract workers receive salaries higher than the minimum wage, in fact Avery Dennison has not been paying the required minimum wages that is mandated by the government. Avery Dennison is paying its contract workers Rs 8,731 (115 Euro) per month while the minimum wages for the industry is Rs. 10,772.80 (142 Euro) for the unskilled category

² Avery Dennison “Supplier Standards”, Verson 2.3, Jan. 31, 2011, Page 4
<http://www.averydennison.com/content/dam/averydennison/corporate/global/english/Documents/Sustainability/PLST-Global-Supplier-Standards.pdf>

workers as per notification number KAE 23 LMW 2014 dated December 27, 2016. Each contract worker thereby is underpaid every month to a maximum of Rs. 2041.8 (26.87 Euro) since January 2017. This is a clear violation of local law and Avery Dennison Supplier Standards.

Another way through which wage theft occurs is by contract workers ending up doing the work that permanent workers do, while getting paid less for it. This violates the directive principles of the Indian constitution on equal pay for equal work. While an unskilled contract worker is paid Rs. 8731 (115 Euro), a permanent worker for the same position draws Rs. 20,000 (263.2 Euro) per month. All of these statements are backed up by proof of payment from the workers, which are available upon request, and workers' testimonies.

One of the standard arguments for a company not to regularise contract workers is that they are only needed for temporary periods. This is, however, not the case in this situation. More than 200 (out of 300) contract workers have been in employment for more than a year and over 150 of those contract workers have been in employment for a minimum of two years, while at least 90 workers have been in employment for more than three years and there are some who have been in employment since 2004. This clearly indicates that these contract workers have had regular work in the factory for all these years indicating that the work that the contract workers have been performing is of a permanent nature. Moreover, the contract workers are working on CTP machines, cutting machines, in the packing department, studio for exposing films, heat oven machine, quality control, warehouse and offset print department, thereby clearly indicating that they are involved in core activities of the factory. Both of the conditions mentioned above violates Section 10 (2) (a) and (b) of the Indian Contract Labour (Regulation and Abolition) Act, 1970.

4. Reinstate all terminated contract workers;

Dismissing the 52 workers for union activity is clearly a violation of the workers' right to Freedom of Association and a violation of one of the core conventions of the International Labour Organisation. There is an unambiguous connection between union activity and workers' dismissals. GATWU informed the Avery Dennison management about the formation of the union on September 19, 2017 through a formal letter which highlighted the anti labour practices followed by the management and sought a meeting to address the situation. The management did not engage with the union but rather went ahead and terminated 44 contract workers over the next two months beginning 25 September 2017.

The workers who were terminated from the service were not given the proper notifications as required under Indian law. They were told verbally to not report to work the following day and that their wages would be sent to their bank account directly. The security guards at the gate of the factory were also instructed to not allow the terminated workers to enter the premises from the following day onward.

This action of the Avery Dennison Pvt. Ltd. management violates the procedures laid down under the Indian Industrial Disputes Act 1947.

GATWU has approached the labour department seeking to end the anti-union activities of Avery Denison Pvt. Ltd. The proceedings of the labour complaints are underway. However, the Avery Denison Pvt. Ltd. management is continuing its anti-union activities, violating Indian law and even the directives of the labour department. During the proceedings of the complaint filed by GATWU against Avery Denison Pvt. Ltd. on the illegal terminations of contract workers, the labour department, on 30 December 2017, directed that until the dispute hearing is resolved, Avery Dennison would maintain the existing service conditions of the contract workers, clearly referring that all present work conditions of the current contract workers should not be altered. However, on 17 January 2018, Avery Denison management issued termination letters to another nine (9) contract workers, which stated that these workers would cease to be employed from 31 January 2018. This action by Avery Denison Pvt. Ltd. not only violates the directive that was issued by the Labour Department of Karnataka on 30 December 2017, but also violates Section 33 of the Industrial Disputes Act, 1947, that states, *“Conditions of service, etc., to remain unchanged under certain circumstances during pendency of proceedings.- (1) During the pendency of any conciliation proceeding before a conciliation officer or a Board or of any proceeding before 2*[an arbitrator or] a Labour Court or Tribunal or National Tribunal in respect of an industrial dispute, no employer shall-- (a) in regard to any matter connected with the dispute, alter, to the prejudice of the workmen concerned in such dispute, the conditions of service applicable to them immediately before the commencement of such proceeding.”*

Sri Udyog has claimed to have sent the workers compensation for their time, however this is an insult to the clearly illegally terminated workers. Some money was apparently sent to an account for the workers, they are unclear on how much, but the workers have asked the company how to return it, as they should not have been terminated in the first place.

We hope that you agree that such violations cannot continue under your watch! It is time to turn the commitment to fair working conditions from good PR to action!

Please take action now!

Looking forward to hearing from you.

Regards,

[insert name, insert organisation]