



## **Child labour in the leather footwear industry**

**An overview and assessment of policies and implementation  
of 28 footwear companies**

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## Introduction

On the 12<sup>th</sup> of June 2012 the campaign 'Stop Child Labour – School is the best place to work'<sup>1</sup> published the SOMO report '*Where the shoe pinches – Child Labour in the production of leather shoes*'.

According to the report, children aged 12 to 14 are involved in the production of leather shoes in countries like Brazil, China, Vietnam and India. They tan and process leather, glue shoe soles or sew parts together. The shoes are exported to international shoe brands which also cater to the European market. A substantial part of the work by the first tier suppliers of the western brands is subcontracted out and that is mostly where child labour occurs in the shoe manufacturing industry.

Research in the beginning of 2012 by the Stop Child Labour campaign shows that most shoe companies were not prepared to provide information about where and by whom shoes are produced, nor about their strategy to deal with child labour. Based on this, it was concluded that the shoe market is not very transparent, that very few companies have a complete overview of their entire supply chain and even fewer where working to prevent or tackle child labour and other labour violations in their entire production chain. Child labour seems to occur much less frequently in the factories that supply directly to European brands and shops, but is still existent at the medium sized factories and small production units producing components or materials for these first tier suppliers of international footwear companies.

Therefore the Stop Child Labour Campaign is addressing these issues and requested a large number of footwear companies, brands and retailers, to provide insight in their policy and practice to prevent or tackle child labour.

This report gives insight in the background and process of the campaign 'We want childfriendly shoes!', launched on June 12, World Day Against Child Labour, and information about the policy and practices of 28 footwear companies including their responses to this campaign. Goal of the campaign is to stimulate all footwear companies to improve their policy and practice to improve labour conditions in their full supply chain with specific focus on child labour. A pro-active approach of companies is expected to get more insight in the risks in their full supply chain and to address the risks and labour issues in an effective and responsible manner.

In Part A of this report we are giving an overview of the whole process of our campaign 'We want childfriendly shoes!', information on the use of child labour in the production of shoes and the responses of the companies to the indications of possible occurrence of child labour in their supply chain and to our campaign in general.

Part B of the report starts with a scorecard providing an overview of the performance of the companies on several criteria.

In addition a profile of the 28 footwear companies addressed by Stop Child Labour is given and is based on:

- the information gathered by SOMO in 2011;
- the information gathered by Stop Child Labour during the research from February to May 2012;
- the information provided by the companies as a response to the letter and SOMO report sent on June 12, 2012 and to the publication of the first version of this report (October 15<sup>th</sup>);
- information from the websites of the individual companies.

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<sup>1</sup> 'Stop Child Labour - School is the best place to work' is an international campaign of Alliance 2015, co-ordinated by Hivos (Netherlands). The campaign is executed in co-operation with CESVI (Italy), FNV Mondiaal (Netherlands), the General Education Union (Netherlands), Ibis (Denmark), ICCO & Kerk in Actie (Netherlands), the India Committee of the Netherlands (ICN), People in need (Czech Republic), Stichting Kinderpostzegels Nederland (Netherlands) and local partners in Asia, Africa and Latin America.

## Part A

### 1. The campaign 'We want childfriendly shoes!': an overview

#### SOMO research: May 2011 – May 2012

Stop Child Labour had requested The Centre for Research on Multinational Corporations (SOMO) to conduct an investigation into child labour in shoe production chains of international brands. For this investigation a literature study was done as well as field research in India, one of the world's most important shoe producing countries.

Additionally SOMO approached 21 important shoe companies that sell shoes on the Dutch market with the request to fill in a questionnaire to gain insight in their Corporate Social Responsibility (CSR) policy. This was done from August to October 2011. It proved extremely difficult to get in contact with these companies. Only a few companies had a person dedicated for CSR and/or a CSR policy clearly published on their website. It was concluded from the response of these shoe companies that they were not very willing to provide details about their sourcing policy. Only 2 of the 21 companies who were approached responded to our request to complete the questionnaire; Van Haren (Deichmann group) and Timberland. These two companies each have a specific CSR policy including statements on the need to tackle child labour in the supply chain.

#### Hivos research: February 2012 – June 2012

Because of the low response of shoe companies to the SOMO study, Stop Child Labour decided to carry out a similar investigation at the beginning of 2012 involving a larger number of shoe companies. As many as 41 shoe companies received a questionnaire. Again, most shoe companies were not willing to provide information about where and by whom their shoes are manufactured, nor about their approach to eradicate child labour. Repeated requests for information remained unanswered.

Only 11 companies replied to the Stop Child Labour request for information or completed the questionnaire: Timberland, Deichmann (Van Haren), Macintosh (Scapino, Manfield, Invito, Dolcis), de Bijenkorf, Camper, Clarks, Geox and Marks & Spencers, as well as the sport shoe companies adidas, Nike and PUMA.

#### 1<sup>st</sup> phase shoe campaign 'We want childfriendly shoes!': June 12<sup>th</sup> 2012 – October 2012

On the 12<sup>th</sup> of June 2012 Stop Child Labour published (in Dutch) the SOMO report '*Where the shoe pinches – Child Labour in the production of leather shoes*'.

The report indicates that in countries like Brazil, China, Vietnam and India children aged 12 to 14 are involved in the production of leather shoes for export to international shoe brands. They tan and process leather, glue shoe soles or sew parts together.

On the basis of the SOMO research, the campaign Stop Child Labour has informed 28 companies, through a letter, about this report and the findings of the research. The companies were asked to respond and, in case they have not already done so in a previous survey, be transparent about how they deal with preventing or solving issues of child labour and labour rights violations in their supply chain.

Eight companies were informed that child labour was found during the research in India that could be linked to their supply chain. After a request by the companies for more concrete information about these findings this was provided to them. All companies were given the time to respond until September 1<sup>st</sup>. Four of the eight suspected companies provided us with a credible reply, sometimes including the outcome of further local research. The other four had either not responded, despite a reminder, or - in the case of Clarks and Bata - announced in September and October that they would investigate the issue.

## 2<sup>nd</sup> phase shoe campaign: October 15<sup>th</sup> 2012 – November 2012

On October 15<sup>th</sup> the Stop Child Labour Campaign has published a press release in The Netherlands about the findings of the research done by SOMO on child labour in the leather shoe industry as well as additional research by Hivos among 28 footwear companies. The main message of the press release was that there are still shoes for sale on the European market which are produced by making use of child labour. The findings of child labour in India were linked to the supply chain of four companies: Marks & Spencer, Clarks, Bugatti and Bata<sup>2</sup>.

These companies were informed about the findings in June and August 2012 and requested to respond before September 1st, however they did not. Based on the response of Bata and Bugatti in October and November, after the publication of their names, it became clear that these companies are not sourcing from supplier Farida Group. This means that Bata and Bugatti can not be linked with the incidences of child labour found in the supply chain of Farida Group. Therefore a correction was made in our reports.

The first version of this report "*An analysis of CSR policy and practice of footwear companies*" was published, containing a scorecard of 28 footwear companies on several CSR criteria plus descriptions per company based on our analysis of the information provided by the companies on their CSR policy and practice. Besides publishing the names of the companies which we connected with incidences of child labour found in the research, it was also explained that the Dutch companies Van Lier, Van Bommel and Cruyff Sports as well as Ugg-Deckers and Bugatti did not respond at all to the requests of SOMO and Stop Child Labour to provide information on their policy and practice to prevent or combat child labour in the production of their shoes.

By October 2012 we had received relevant information from a total of 20 out of 28 companies. A few of them stand out in terms of a clear CSR policy and system of implementation. They also recognize and work on the fact that child labour and other problems can also occur *beyond* their first supplier, e.g. while sub-contracting part of shoe production and/or the production of leather and other (raw) materials. These companies are e.g. Veja, Timberland (publishing a full list of factories), Dr. Martens, PUMA, adidas and ECCO. Others like Macintosh (Scapino, Manfield, Dolcis and Invito) and Deichmann/Van Haren, both big retailers with many shoe stores, are also quite active but still working to map and work on the full supply-chain.

The Dutch media gave attention to these findings of Stop Child Labour as three national newspapers published an article based on the reports of SOMO and Stop Child Labour. Shortly after this publication Bugatti and Marks & Spencer contacted Stop Child Labour to request more information on the findings and started their own investigation. Van Lier, Van Bommel and Cruyff Sports contacted Stop Child Labour as well and all have provided the requested information and filled in the questionnaire, as did Bugatti. Therefore it was decided to update this report and to include this new information and the responses of the companies.

Additional to the media attention questions were raised in Dutch Parliament by a range of parties representing a majority. On December 4 these questions were answered by the Minister of International Trade and Development Cooperation. The Minister promised to take the initiative to organize a meeting with Stop Child Labour and some Dutch footwear companies.

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<sup>2</sup> Information about incidences of child labour that can be linked to these companies is provided in Annex 1.

## 2. Child labour in footwear production

In Europe and elsewhere one can still buy shoes made by children. That is the conclusion of the campaign 'Stop Child labour – School is the best place to work' on the basis of research in India. Stop Child Labour has published the name of companies that can be linked with incidences of child labour found during the research in India in February and March 2012. However, all companies sourcing from (high) risk countries with regard to child labour should be aware of the risk of child labour being involved in their supply chain. The research of SOMO has made clear that in medium-sized factories and small working units child labour is not exceptional. Many of these factories and working units are stitching uppers or preparing soles for factories who are directly supplying to international companies and brands.

### The research

As part of the larger research done by SOMO<sup>3</sup> a case study was undertaken on child labour in shoe production in India. The focus of the research was on two shoe-producing regions: in and around the cities of Vaniyambadi and Ambur in the southern state of Tamil Nadu and in/around the city of Agra in the northern state of Uttar Pradesh.

In both Agra and Vaniyambadi-Ambur child labour is used in the supply chain for hand-stitched shoes made of leather. Export companies generally do not use child labour directly in their factories, but they do this indirectly via small-scale workplaces to which work has been outsourced. Shoe factories subcontract out much of the work to medium-sized companies and small workshops. In addition, many shoes or parts of shoes are produced by home workers. Workplaces with less than 10 employees are not visited by labour inspectors. So outsourcing to small working units is often used to avoid these inspections.

Usually child labour supplements the family income which is very meagre because the wages - often by piece rate - are generally (far) below the official minimum wage. The piece wage paid to these workers in the informal sector is so low that adult workers do not make enough money to live on. That's why they regularly involve their children in the work to increase the family income. The same goes for the small workshops, where the owner employs his own or other children to reduce the number of adult employees and therefore the expenses on wages.

The smaller workshops in India that were visited as part of the field research by SOMO employ three to five workers. These workshops produce the uppers of shoes and attach them to the sole. Children are regularly involved in this production process. The workers who were interviewed explained that the skills are passed on from generation to generation. When they were young, their parents taught them the skills needed for working in the shoe trade. This is still the way it goes today. Nearly all the workshops that were visited as part of the study, supply to the major export companies that, in turn, supply to international brands. But it was found that child labour also occurs in the medium-sized factories employing 80 to 100 workers. There are differences in the nature of child labour in the two researched regions. It appears that children in Agra go to school less often and work longer, sometimes 10 to 12 hours, than those in Vaniyambadi-Ambur.

One of the major obstacles in checking whether child labour occurs is caused by the fact that a substantial part of the work, both in leather tanneries and in shoe factories, is carried out in the informal sector. According to Indian law, labour inspections are permitted in companies with ten or more employees. This means that child labour legislation is not enforced in smaller businesses or home-based workshops. Moreover, if inspections take place on the basis of official company records of the large company, it may well be the case that the activities that are subcontracted out to the informal sector are not monitored.

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<sup>3</sup> SOMO, "Where the shoe pinches, child labour in the production of brand name leather shoes", June 2012

Striking and important to mention is that, according to the Indian researcher, there has been no enforcement of the Child Labour Act in the leather units of Vaniyambadi and Ambur since March 2008. It was then when the enforcement team faced protests while raiding some footwear factories where child labour was found. Since then there have been no reported incidents of any checking on the part of the authorities or any incidence of child labour in the leather units.

#### *In short*

Child labour is a common phenomenon in the outsourcing chain of large footwear exporters in the two most important footwear-production regions in India. This immediately makes it clear that the chances are large that Indian children have had a hand in producing leather hand-stitched shoes appearing on the European market. Based on these findings, SOMO concludes that child labour is not exactly a rare incidence in the production of leather shoes for European export markets. Children were found working in shoe manufacturing at medium-sized factories and workshops that supply to companies that sell shoes to international brands and companies.

#### **Link with international footwear companies**

Footwear companies themselves state that their suppliers do not use child labour. The research does show, however, that many shoe exporting companies subcontract out the work and it is precisely there, 'further down' the supply chain, that child labour occurs. Companies that buy these shoes do not inspect these subcontractors because most of the international brands only focus on the first tier suppliers in the chain.

The research was not focused on the first tier suppliers of brands, nor on the supply chains of specific footwear companies. Focus was on the medium-size factories and small workshops, 2<sup>nd</sup> and 3<sup>rd</sup> tier suppliers of footwear in specific regions. Several of the investigated small factories and production units mentioned the exporting factory to which they were supplying. Additionally export data were used to identify the link between international footwear companies and their first tier suppliers in India. Incidences of suspected child labour could therefore be linked with some exporting factories and based on the export data linked to international footwear companies. Of course it is not always known if the subcontracted factories or units suspected of using child labour were (only) producing for a specific international footwear company. These small factories or production units are frequently supplying to various exporting factories. But nevertheless the findings can be linked to the international footwear companies as they certainly run a higher risk of child labour involved in the production of their shoes. Moreover, if these footwear companies are buying from large exporting factories who outsource part of their work to subcontractors without having a good policy and good monitoring system in place, the companies can (partly) be held responsible for this. Therefore they should use their influence and capacity to ensure that their suppliers improve their policy and practice to adhere to the international standards for good and safe working conditions, including no child labour.

The findings of child labour at the level of subcontractors linked with international brands based on export data can be seen as indirect evidence. However the researcher has also found the labels of a few companies at sites where child labour is suspected. This was the case for Clarks, Marks & Spencer and Bata. For these incidences the link with the footwear company is clear, however the researcher was not able to collect more evidence such as pictures or age verification. The findings are based on observations of the researcher and assistant and on testimonies of workers being interviewed. The Indian researcher experienced several constraints to get more concrete evidence as the majority of the people were reluctant to cooperate and it was difficult for the researcher to enter production units and speak to the workers. The researcher has mentioned in his report that the *"workers, who do acknowledge the presence of child workers in the supply chain – in job work and fabrication units for shoe uppers and home based work are extremely sympathetic to this group, saying that they come from very poor families and the survival of their families is at stake. They are, therefore, quite protective about their existence and identity"*.

### 3. Responses of the companies

Eight companies were informed in June 2012 that child labour found during the research in India could be linked to their supply chain. All companies were given time to respond until September 1<sup>st</sup>. A reminder was sent in August. Four of the eight suspected companies provided us with a credible reply, sometimes including the outcome of further local research. The other companies<sup>4</sup> had either not responded or - in the case of Clarks and Bata - only announced after the deadline that they would investigate the issue. Marks & Spencer and Bugatti did not respond at all to the findings and in October 2012 these four companies were mentioned by name in public reports and were again requested to respond to the findings and to provide insight in their policy and practice to tackle child labour.

#### Farida Shoes

After having received information on the findings linked to Clarks, the company started their own investigation. Clarks has investigated the situation at the sites and subcontracted units of one of their suppliers, the large shoe manufacturer Farida Group. Clarks informed Stop Child Labour about the outcome of their research during a meeting in Amsterdam and through a report. Clarks has given the following information:

- *Farida has a policy to prevent the employment of child labour and does not normally employ anyone under the age of 18.*
- *During the audits of the Farida main factories in Ambur undertaken in August this year and in our more recent investigations we found no evidence of child labour in either of these factories nor in the stitching units operated by them in that area.*
- *Farida does have an age verification process in place in all factories. In some of the stitching units recommendations for improvement in the application of these (...) were made to better ensure adherence to the policy.*

*Where work goes outside of Farida owned and managed factories the controls have not been adequate:*

- *Contract stitching units – we identified one contract unit producing uppers for Clarks where in addition to a number of health & safety concerns there were not proper age verification controls in place and we identified young workers present there. We have withdrawn our production from this unit until such time as an audit can show it meets our requirements.*
- *Hand stitching – this is a seasonal requirement and represents a very high fluctuation in work content. Where-ever in the world this has been done it has traditionally relied on the use of outwork or homeworking to meet the requirement. In such cases children will inevitably be within that environment, whether directly involved in undertaking the work or not.*

This investigation of Clarks confirms that risks of child labour are not so much to be expected at the level of the first tier suppliers but is present at the level of 2<sup>nd</sup> tier suppliers. According to the Indian researcher the supply chain of Farida Shoes is vulnerable for the use of child labour “*as the company has more than 100 subcontractors and also contracts out handstitched uppers to village homes*”. Clarks informed us that Farida explained to them that they have 20 to 25 sub-contractors, however there are also individual hand stitchers with whom they work.

Based on the research the companies Bata, Marks & Spencer and Bugatti have been linked with the Indian factory Farida Group (Ambur area) as well and child labour was suspected at two subcontractors of the Indian company.

- Bata has informed us that they have not sourced from Farida Shoes in the last five years. This has been corrected in this report.

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<sup>4</sup> An overview of the findings linked with these companies is given in Annex 1.

- Marks & Spencer was identified as a client of Farida based on export data. Marks & Spencer has done some research on our findings but informed us that they did not find anything which confirms our indications.
- For Bugatti the connection with Farida Group was based on the testimony of the manager of one fabrication unit making shoe uppers for Farida Group who was at that moment working on Bugatti and Clarks. Bugatti shoes has informed us that the company has not been working with Farida for at least ten years. With this response we believe that the mere testimony is not enough to link Bugatti to Farida. Nevertheless, it may also be possible that the fabrication unit was working for another exporter at the time of the investigation.

Farida Shoes is supplying to several international brands and companies, not only to the ones Stop Child Labour has mentioned publicly. On a positive note Clarks has informed us that they have discussed the report of SOMO and the findings with Farida. Clarks and Farida have made concrete agreements to improve the situation when it comes to outsourcing. Specific agreements have been made regarding the production of shoes for Clarks but additionally Farida has promised to introduce better controls for hand stitching where it is undertaken as outwork or home working. According to Clarks proposed improvements are:

- *All workers to be used for undertaking hand stitching or any other form of outwork will be subject to the same age verification checks as workers employed within the factories.*
- *All workers to be used for undertaking hand stitching or any other form of outwork will be required to sign a commitment that all work provided to them will only be undertaken by them.*
- *Workers will only be provided with the quantity of work that they can complete themselves.*
- *Facilities will be identified in appropriate locations to enable workers to attend and undertake the work at supervised and controlled locations rather than doing it in their homes. It is recognised that to provide the required capacity across the Farida Group this will require multiple locations. This should ideally be operated as a single function to serve all the factories within the Farida Group.*

Additionally Clarks has informed Stop Child Labour that Farida is *“being proactive in supporting efforts to ensure child labour is not used. Through the South India Footwear Manufactures Association they are promoting a no child labour awareness conference and campaign in the Ambur area.”*

Stop Child Labour is positive about these agreements for improvement and recommends other buyers of Farida Shoes to discuss these issues with the company as well and to stimulate and support Farida to improve the implementation of their policy and plans for improvement.

### Responses to the other incidences

In a small village Nainana Jat, in the area of Agra (North India), where a lot of uppers are being stitched by home workers, including children, shoes with the label of Weinbrenner, a brand of Bata, was found. Bata told us that they are *“determined that no Weinbrenner products are produced in India. The products seen by the investigator may have been counterfeit”*. Of course this can be stated by a company, and it might be true, but this is hard to investigate and confirm. Unfortunately Bata did not provide information to Stop Child Labour to prove that Weinbrenner shoes are not (partly) being produced in India. Bata is questioning the connection of the company with child labour involved in the production of shoes of the brand Weinbrenner, however evidence is lacking to confirm or reject this indication.

The other incidences connected with the companies (see annex 1) are difficult for the companies to investigate as concrete evidence is missing.



## 4. Next steps

While a number of companies have already taken significant steps or started a process eradicating child labour and respecting labour rights in their supply chain, Stop Child Labour expects from companies – in case this has not (sufficiently) been done yet - to actively take up the following issues:

- a policy with regard to child labour and labour rights in the *full* supply chain, including sub-contractors in both shoe production as well the use of main materials like leather;
- a survey and risk assessment of child labour and other violations of labour rights in the supply chain;
- a policy and plan of implementation on the remediation of child labour or labour rights violations found;
- a form of external assessment or verification of the results of the activities of the company;
- co-operation with other companies and stakeholders like NGOs and trade unions wherever that is possible, including participation in dedicated multi-stakeholder initiatives;
- transparency to the general public about the process and results of the activities the companies are undertaking to combat child labour and tackle labour rights violations.

Stop Child Labour has sent a letter to the 28 companies and asked them to take up these issues. The Campaign will monitor the progress of the footwear companies on these points.

It is also relevant to mention that we have been informed by BSCI (Business Social Compliance Initiative) that they were requested by a few members to take an active role in the follow-up process and to investigate the possibilities to have a meeting with several companies, suppliers and relevant stakeholders in India to discuss the issue of child labour in the production of shoes. Hopefully this will lead to the start of a process to combat the use of child labour in the full supply chain. Having a meeting in Europe with footwear companies and stakeholders has been discussed as well. We believe this can be useful prior to having a meeting in India.

We are happy with this initiative of BSCI and its members and we hope that all companies will be interested and motivated to join this initiative and/or start or join other initiatives that will lead to more effective measures against child labour and other labour rights violations.

## 5. Conclusion

Generally it can be concluded that most companies still have a lot of work to do to be able to prevent and tackle child labour beyond their first tier supplier and with regard to the use of materials, in particular leather. There are only a few companies that have a clear remediation policy when child labour is found.

On the basis of their own information it can be concluded that there is a great variation in how footwear companies deal with the issues and risks of child labour and labour conditions in their supply chain. This is also the case with regard to environmental issues, although more companies already do have a stronger focus on the environment as part of their CSR policy and management system.

Most companies do have a code of conduct and CSR policy and also quite a few apply this to their main suppliers, although it is not always clear how these policies are implemented. Frequently for example, external verification of child labour and other labour rights violations - and especially how they are remediated - is lacking.

Only a few companies have thus far developed and implemented a policy that goes beyond their main (first) suppliers and looks at the sub-contractors in shoe production. Only a very few have taken up the responsibility to work on combating child labour in the production of shoe-parts and (raw) materials like leather.

Companies like Veja, Timberland, Dr. Martens, PUMA, Nike and adidas but also ECCO, though certainly not perfect - can be seen as frontrunners and have been active to improve the labour conditions, traceability and transparency in their supply chain. Macintosh (Scapino, Manfield, Dolcis and Invito) and Deichmann, important retailer companies for the Dutch market are not as far yet as these companies but

are compared with other footwear companies with a large presence in The Netherlands, most active and advanced with regard to their policy and activities for improvement. All these frontrunners have already acknowledged that it is not sufficient to have a Code of Conduct for their suppliers or to focus only on first tier suppliers. They stress the importance of transparency and of working together with other stakeholders.

During the research phase and since the start of the campaign 'We want childfriendly shoes!' in June 2012 Stop Child Labour has put a lot of effort in getting into contact with the footwear companies. It proved very difficult to get in touch with a large number of companies, however, after one year of research and campaigning, Stop Child Labour is happy to note that 27 of the 28 companies have responded to the requests and provided information.

The four companies who were mentioned in our publications of October 2012 as being linked with the incidences of child labour have all investigated the findings and responded to the indications. In the case of Bugatti and Bata connection with the supplier Farida Group was not correct and therefore these companies can not be linked with the findings of child labour in the supply chain of Farida Group. However other indications still remain valid but are difficult to investigate for the companies.

Stop Child Labour appreciates the openness of several companies and has learned that a number of companies have already taken significant steps or started a process eradicating child labour and respecting labour rights in their supply chain. Certainly still a lot needs to be done to prevent and tackle child labour involved in the production of footwear worldwide. The research has clearly shown that child labour is still being used in small factories and production units. Stop Child Labour recommends international footwear companies to cooperate more with each other and with other relevant organisations and institutions like trade unions and NGOs. A close co-operation on these issues with first tier suppliers is essential as well. Such a 'joint-up' effort will (further) help to improve their practices with regard to child labour and labour rights in the full supply chain. Additionally there are important lessons to be learned from 'frontrunners' that are useful for the majority of the footwear companies who still have a long way to go to 'guarantee' that shoes are produced 'childfriendly'.

## Part B

### Scorecard of shoe companies regarding general CSR policy, child labour policy and cooperation in campaign 'We want childfriendly shoes'

	Response during research phase	Response to the letter (12 June 2012) <sup>5</sup>	Response to publication in October 2012	Code of Conduct, Incl. child labour <sup>6</sup>	No production in high risk countries	CSR activities	Inspection of 3rd party (BSCI/FLA)	Attention for subcontractors, beyond 1 <sup>st</sup> tier	Transparency and openness to consumer	Judgement Stop Child Labour
adidas	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
Bata	✗	+	✓	✓	✗	✓	✗	+	+	+
Bijenkorf	✓	✓		✓	✗	✓	✓	✗	+	+
Birkenstock	✗	✓		✗	✓	✓	✗	+	✓	✓
Bristol (Euro Shoe NL)	✗	✓	✓	+	✗	+	+	✗	+	+
Bugatti	✗	✗	✓	+	✗	+	✓	+	+	+
Camper	+	✗		+	✗	+	✓	+	✗	+
Clarks	+	+	✓	+	✗	✓	+	+	+	+
Cruyff Sports	✗	✗	✓	+	✗	✗	✗	✗	✗	✗
Dr. Martens	✗	✓	✓	✓	✗	✓	✓	✓	+	✓
Ecco	✗	✓		✓	✗	✓	✓	✓	✓	✓
Fred de la Bretoniere	✗	+		+	+	✗	✗	✗	✗	✗
Gabor	✗	✓		✓	✗	+	✗	✗	+	+
Geox	✓	✓		✓	✗	+	✗	+	✗	+
Lotto Sport	✗	+		✓	✗	+	✗	✗	+	+
Macintosh (Scapino, Manfield, Dolcis & Invito)	✓	✓	✓	✓	✗	✓	✓	+	✓	✓
Marks & Spencer	+	✗	✓	✓	✗	✓	✓	+	✓	+
Nike	+	✗		✓	✗	✓	✓	✓	✓	✓
PUMA	✓	✓		✓	✗	✓	✓	✓	✓	✓
Sacha Shoes	✗	✓		✓	✗	+	✗	✗	+	+

	Response during research phase	Response to the letter (12 June 2012) <sup>7</sup>	Response to publication in October 2012	Code of Conduct, Incl. child labour <sup>8</sup>	No production in high risk countries	CSR activities	Inspection of 3rd party (BSCI/FLA)	Attention for subcontractors, beyond 1 <sup>st</sup> tier	Transparency and openness to consumer	Judgement Stop Child Labour
Schoenenreus	✗	+		+	✗	✗	✗	✗	✗	✗
Timberland	✓	+	✓	✓	✗	✓	✓	✓	✓	✓
UGGs (Deckers)	✗	✗		✓	✗	✓	✗	+	✓	+
Van Bommel	✗	✗	✓	+	+	✗	✗	+	✗	+
Van Haren (Deichmann)	✓	✓		✓	✗	✓	✓	✗	✓	✓
Van Lier	✗	✗	✓	+	+	✗	+	✗	+	+
Veja	✗	✓		✓	✗	✓	✓	✗	✓	✓
Wolky	✗	+		✗	+	✓	✗	✗	✓	+

**Explanation of the chart**

- ✓ Good
- + Moderate
- ✗ Bad or unknown

## Descriptions per company

This part of the report provides detailed information for each of the 28 companies addressed by Stop Child Labour within the campaign “*We want childfriendly shoes!*”. The report is based on:

- the information gathered by SOMO in 2011;
- the information gathered by Stop Child Labour during the research from February to May 2012;
- the information provided by the companies as a response to the letter and SOMO report sent on June 12, 2012 and to the publication of the first version of this report (October 15<sup>th</sup>);
- information from the websites of the individual companies.

In the report published in October descriptions per company were included as well. For most of the companies the information remained the same, for the following companies the description was updated: Bata, Bugatti, Clarks, Cruyff Sports, Fred de la Bretoniere, Marks & Spencer, Sacha Shoes, Van Bommel and Van Lier.

## ADIDAS

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*Analysis based on the questionnaire completed during research phase, additional information provided during feedback phase and information from the website.*

**Response:** 01/04/2012, 13/06/2012 and 05/09/2012

**Production:** In addition to selling its own brand, sport shoe manufacturer adidas also sells the Reebok, Rockport and CCM brands. The suppliers of these sport shoes are located in China, Indonesia, Vietnam, India, Italy and Brazil. The raw leather is procured from Brazil, Argentina and Italy. Adidas has disclosed the list of their suppliers on their website.

**Content and implementation of the CSR policy:** Adidas has developed its own Code of Conduct (Workplace Standards) which refers to the eight ILO Core Conventions and mentions all forms of child labour (ILO Conventions 182 and 138). This Code of Conduct applies to the company’s own production processes as well as those of its first tier suppliers. All first tier suppliers have manufacturing agreements with their direct suppliers, for example with sewing subcontractors. In addition, adidas has nominated material suppliers. Compliance with this Code of Conduct is compulsory and is monitored through internal and external audits as well as those of multi-stakeholder initiatives<sup>1</sup>. Adidas publishes a sustainability report every year which can be found on their website.

**Affiliated to:** Fair Labor Association (FLA) programme since 1999 for third party monitoring, third-party complaint system and public reporting. Member of the Leather Working Group (LWG).

**Supply chain problems:** Adidas has indicated the general risk that “*by operating a supply chain that consist of multiple downstream tiers of independent suppliers, violations of core standards such as the prohibition of forced labour, child labour, discrimination, freedom of association and the right to collective bargaining, working overtime, wages, health and safety, and job security cannot be fully excluded*”. Adidas: “*Although robust preventive measures are in place and individual country risk profiles have been developed, the occurrence of non-compliances cannot be excluded in general*”. While not having experienced forms of child and forced labour in its direct supply chain or nominated material suppliers over the last years per se, adidas has indicated that the risk of child labour can be present both in the further downstream supply chain, e.g. at farm level. Adidas has carried out a risk assessment on child labour; no specific information on this was provided.

**Response to the report and letter:** Adidas has given the following response: *“Given the heightened risk of child labour which has been revealed through SOMO’s research in Ambur, adidas will subject any future proposed subcontractors to a more intensive process of pre-screening, which in addition to the normal range of monitoring issues will include an in-depth review of any hiring policy and age-proof checking, before approval for the use of a factory is given.”*

**Conclusion:** Adidas has a comprehensive CSR policy that applies to its own organisation as well as its suppliers. Adidas is aware of the risks of human rights violations in the production chain for sport shoes, including child labour. Multiple audits within various organisational units should counteract this. Adidas also cooperates with other parties to tackle these human rights problems. Adidas is one of the few companies that has disclosed a list of suppliers with which they work, and also one of the few companies that focuses on conditions in the supply chain beyond their first tier suppliers. Although the LWG does focus on leather production, the focus is on environmental rather than on social aspects.

**Website:** <http://www.adidas-group.com/en/sustainability/Suppliers/default.aspx>

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## Bata

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UPDATED

*Analysis based on information provided during feedback phase, information provided in emails and information from the website.*

**Response:** 27/08/2012, several responses in October and November 2012

**Production:** Bata sells the following shoe brands: Ambassador by Bata, Bata Technology, Baby Bubbles, Bata Comfit, Bata Industrials, Bubblegummers, Marie Claire, North Star, PataPata, Power, Safari by Bata, Sundrops, Toughees and Weinbrenner.

**Content and implementation of the CSR policy:** As yet, Bata does not publish a CSR report or Code of Conduct, but on its website the company indicates they wish to have this in place by 2015. On the website Bata provides a lot of information on what the company is doing within their Sustainability Program. Bata pays attention to environmental and social issues and the company has set up their Bata children’s program.

On the website it is stated that *“The BATA Code of Ethics and Values and Beliefs guides our employees and our companies around the world in our day to day work and helps us to conduct business in accordance to this philosophy of service and corporate responsibility”*. In 2015, Bata intends to carry out a pilot life cycle assessment at their factories. Bata does have a ‘Minimum Age for Employment Policy’ which states that *“all employees of Bata companies, licensees and franchisees and all employees of Bata suppliers, subcontractors and their home workers must be a minimum age of 18 years.”* Employment of young adults between 16 to 18 years of age is permitted under limited circumstances. This policy is stricter than that of most other companies, but is not publicly available.

**Affiliated to:** not known.

**Supply chain problems:** In October it was published that some of the incidences of child labour found during the field research in India can be linked with Bata. Bata France was mentioned as a client of Farida Shoes, however this was not correct. Bata has informed Stop Child Labour that *“Farida Group has not been a supplier to Bata companies for at least five years”*.

In a small village where a lot of uppers are being stitched by home workers, including children, shoes with the label of Weinbrenner, a brand of Bata, was found. Bata has *“determined that no Weinbrenner products are produced in India. The products seen by the investigator may have been counterfeit”*. Of course this

can always be said by a company, and it might be true, but this is hard to investigate and confirm. Unfortunately Bata did not provide information to Stop Child Labour to proof that Weinbrenner shoes are not (partly) being produced in India.

Additionally there is a testimony of the owner of a small production unit producing components for several factories and brands; he mentioned Bata as well. The owner involves his children and other children in the production process.

**Response to the report and letter:** On 27 August, Bata sent us a formal statement indicating that *“all products manufactured by and for Bata Industrials Europe are not associated with any form of child labour. This includes all part manufactured products and raw materials that are being used in the production process.”* After the publication of our report in October 2012 and mentioning of the incidences of child labour linked with Bata, a more in-depth dialogue with the company started. Bata has given a response to the incidences as explained above and requested more concrete evidence on the incidences connected with Bata. This is understandable but this can not be provided as the researcher was not able to make photographs or to check age documentation.

However from the research and report of SOMO it is clear that at the level of 2<sup>nd</sup> and 3<sup>rd</sup> tier suppliers there is a high risk for the use of child labour in the production of shoes. As Bata is sourcing many shoes from India they should be able to provide a clear policy and give insight in the implementation and control of their policy. Bata has provided the following information on this:

*“Our guidelines are very strict and do not allow child labour. Our MAE policy covers also subcontractors and home workers.”*

*“Bata is in India since 1931 and has done a lot, very likely much more than others. Because its not about simply banning child labour. You have to address the whole situation of the families. The parents have to earn enough money so that their children can go to school. Bata has done a lot for the employees in those previous 80 years. There is a reason why we are the most trusted brand in the footwear business in India.”*

*“After I have seen what our procurement is doing here to ensure that our policies in terms of labour condition are fulfilled by the suppliers, it’s de facto impossible that child labour is involved. Our own people, permanently present at our partners factories, take care of so many issues, also in terms of health and security. Bata India is exposed as the most known brand in the footwear industry in the country.”*

**Conclusion:** SOMO and Stop Child Labour have not correctly linked Bata with the factory of Farida Group and the incidences of child labour at subcontractors of Farida. The connection with child labour involved in the production of Weinbrenner is being questioned, however evidence is lacking to confirm or reject this allegation. An other testimony links Bata also with child labour but is difficult to investigate.

Since Bata is sourcing from countries where a lot of child labour is involved in the production of shoes Stop Child Labour stresses the importance of having a clear and effective policy and practice to prevent and tackle child labour in the full supply chain. Bata has explained that they have such a policy in place, however it is their internal policy not to share concrete information on this. Stop Child Labour regrets this and although Bata seems to have a good approach to ensure compliance with their strict policy on child labour not enough information has been provided to confirm that Bata is taking the right and effective measures to combat child labour in their full supply chain.

**Website:** <http://www.bata.com/sustainability-program.php>

## De Bijenkorf

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*Analysis based on the questionnaire completed during research phase, response during feedback phase and information from the website.*

**Response:** 10/04/2012 and 15/08/2012

**Production:** De Bijenkorf sells men's and women's shoes under private label. The production of their shoes, both leather and non-leather, takes place in Portugal, Bangladesh, Italy, Brazil, China and India.

**Content and implementation of the CSR policy:** De Bijenkorf does not have a CSR report, although information is available on their website. There is a lot of specific information about environmental aspects, but the section on social aspects is limited. Their social policy is based on the guidelines of the Business Social Compliance Initiative (BSCI) and De Bijenkorf therefore uses the BSCI Code of Conduct for their suppliers. Additionally the Bijenkorf has its own business code, with attention to child labour, which is available on their website, as is a link to the BSCI page. Compliance with these guidelines is compulsory and is monitored through external audits of their first tier suppliers. De Bijenkorf requires all its suppliers to comply with the BSCI guidelines and that they also notify their suppliers of the Code of Conduct.

**Affiliated to:** The Business Social Compliance Initiative (BSCI) since 2003, the Dutch Association for Chain Stores in Shoes (VGS), and the Child Labour Platform of the UN Global Compact.

**Supply chain problems:** According to the CSR Manager of De Bijenkorf, problems with working overtime and wages are currently the most predominant issues discovered in audits. They are not sure if subcontracting takes place but – according to De Bijenkorf – there is no indication of cases of subcontracting to informal workshops or domestic workers.

De Bijenkorf is aware of the phenomenon of underage workers/child workers in several production countries, so they believe this might also be the case in the shoe industry.

**Response to the report and letter:** In a letter De Bijenkorf has stated the following: *"We take the Stop Child Labour/Hivos findings very seriously and are launching an action plan with our current suppliers to identify and better understand our supply chain. We will seek cooperation with other companies active in this market."*

**Conclusion:** De Bijenkorf acknowledges its responsibility for people, the environment, and its product. Although affiliation with the BSCI is useful, it does not go beyond first tier suppliers whereas the main problems are often further down in the supply chain. There is sufficient commitment at De Bijenkorf and progress has been made, particularly in the environmental area, but a lot still has to be done in terms of transparency and chain responsibility.

**Website:**

[http://www.debijenkorf.nl/?page=webpage&text\\_name=Maatschappelijk%20Verantwoord%20Ondernemen](http://www.debijenkorf.nl/?page=webpage&text_name=Maatschappelijk%20Verantwoord%20Ondernemen)

## **Birkenstock**

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*Analysis based on information provided during feedback phase and information from the website.*

**Response:** 28/08/2012

No response during research stage, response to the letter of SCL (June 12) after a reminder sent in August.

**Production:** Birkenstock's products are 100% made in Germany. The leather used in the products is exclusively from European tanneries and Central European cattle. This allows Birkenstock to ensure compliance with the high quality standards set by the European law for the leather itself and the way it is processed. According to Birkenstock this guarantees that they use only materials approved by European law, which excludes materials that are hazardous to health and environment. These regulations are the most rigorous in the world, and each of their suppliers complies with them, as is checked on every incoming shipment, explains Birkenstock.



**Content and implementation of CSR policy:** Birkenstock has a code of conduct with a standard on child labour/employment of youth: *“It goes beyond saying that the use of child labor is strictly forbidden in our operations. In addition, the strictest anti-child labor laws are in force at the production sites in Germany. Our employees must never be less than 15 years of age and must have at least completed the officially mandated years of schooling. If the work might involve dangerous situations, our employees must be at least 18 years old.”*

On the website of Birkenstock they inform consumers that their goal is to harmonize economical, ecological and social responsibility. The focus is on the environment and Birkenstock says that 95% of the components they use are environmental friendly. Besides that they are focusing on reduction of energy consumption and recycling. Birkenstock also supports a sustainable living roadshow. This is a collective of skilled entertainers and experts educators in the area of environmental sustainability and social responsibility with the shared goals of providing sustainability education and resources to communities across the globe.

**Affiliated to:** Not mentioned in email response.

**Supply chain problems:** They don't describe or indicate any problems in the supply chain.

**Reaction to report and letter:** Birkenstock did not complete the questionnaire but sent a long email with relevant information and a copy of the code of conduct that could not be found on their web page.

**Conclusion:** Birkenstock has a code of conduct that addresses child labour, however this is not publicly available on their website. Birkenstock is very committed to the environmental aspects of CSR, less attention goes to the social aspects. It would be good to know some more about the entire supply chain of Birkenstock, though no information is given on this. Given their explanation that every incoming shipment is checked gives the impression that some materials, other than leather, are sourced from outside Europe where possibly the risk of child labour is higher.

**Website:** <http://www.birkenstockstore.nl/>

## Bugatti

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UPDATED

*Analysis based on the questionnaire completed after publication of the first version of this report (October 15<sup>th</sup>) and information from the website.*

**Response:** 18/10/2012, 13/11/2012 and 27/11/2012

**Production:** Bugatti is sourcing shoes from Italy, Portugal and India and the leather is mainly sourced from Italy; other tanneries supplying leather are Indian. Bugatti has provided the names of their shoe and leather suppliers to Stop Child Labour.

**Content and implementation of CSR policy:** Bugatti has a very good, detailed and concrete Code of Conduct. Very explicitly and repeatedly it is mentioned that these standards also apply to subcontractors. The first requirement is on child labour with a clear definition and additional practical expectations regarding remediation in case child labour is being found. Positive point and exceptional compared to many other Codes of Conduct is Bugatti's point that *“the supplier shall ensure that wages paid for a standard week shall at least meet legal standards and shall always be sufficient to meet the basic needs of personnel and provide some discretionary income”*. The Code of Conduct is not available on the website of Bugatti.

The company has informed us that they have a team of 120 persons in India checking all production processes and the working conditions in the main factories and manufacturing units. Bugatti makes use of external monitoring however - as they explain - *“our control is more effective than traditional social audits as they are done only periodically and not permanently as our own inspections”*.

Bugatti has explained that the factories they source from have endorsed one or more CSR initiatives or programmes.

Recently Bugatti has updated their website and now a document with 'Questions & Answers' with attention, amongst other points, to protection of workers and child labour is available on their website.

**Affiliated to:** No specific CSR programme or initiative.

**Supply chain problems:** Some of the findings of child labour in India have previously been linked with Bugatti. This was based on findings done at the sites of two subcontractors of Farida Group. Based on a testimony Stop Child Labour thought that Farida Group was a first tier supplier of Bugatti. However Bugatti informed Stop Child Labour (27/11) that they have not worked with Farida for the last ten years. With this response we believe that the mere testimony is not enough to link Bugatti to Farida. Nevertheless, it may also be possible that the fabrication unit was working for another exporter at the time of the investigation.

**Reaction to report and letter:** There has been no reaction at all from Bugatti on the correspondence from Stop Child Labour during the research phase and first phase of the shoe campaign (June – October). The chairman of Bugatti Shoes and Astor-Mueller Group has sent us a letter after the publication of this report on October 16<sup>th</sup> 2012. In this letter we were informed that: *“Bugatti Shoes operates a zero tolerance policy regarding child labour and has strict rules and guidelines to protect all of its production workers.” “We take very seriously the allegations contained in your report and have launched a comprehensive internal investigation into this matter.”*

**Conclusion:** In the first version of this report we mentioned that Bugatti did not seem to have any policy or practice for meeting the labour standards in the production of the shoes they sell and that they were lagging behind regarding corporate social responsibility and transparency. The content of their Code of Conduct shows that Bugatti takes CSR seriously and that they are well aware of the issues. We are interested to learn more about how they implement and control their Code of Conduct, especially at the levels beyond their first tier suppliers. Important to add is the fact that Bugatti was mentioned in our report as a company possibly connected with child labour was not only based on the testimony and the assumed link with Farida, but also on the fact that Bugatti never responded to the findings and had not given any information on the policy and practice of the company to prevent and tackle child labour.

**Website:** <http://www.bugatti-shoes.com/index.php>  
[http://www.astormuellergroup.ch/AstorMueller\\_Start.html](http://www.astormuellergroup.ch/AstorMueller_Start.html)

## Camper

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*Analysis based on their own information provided during the research phase and on information from their website.*

**Response:** 30/03/2012

**Production:** Camper produces and sells only its own brand. These shoes are produced in China, Vietnam, Thailand and India.

**Content and implementation of the CSR policy:** Camper has indicated that they, since 2004, have been actively developing a Social Accountability Policy based on the UN Global Compact principles. For their audits Camper uses a 'compliance checklist' which is based on local regulations complemented with standards from the Code of the Ethical Trade Initiative (ETI). Child labour is specifically mentioned. During audits for Camper the absence of workers of illegal working age is verified and the level of compliance as regards young workers who are authorised to work (16-18 years of age). Independent companies perform the audits of producers of Camper shoes; the external auditors are certified under the Social Accountability International (SAI). Camper works with the auditing companies SGS, Intertek and TUV Rheinland. According to Camper: *"Regarding subcontractors, we can say that our manufacturers audits show that all procedures are managed by these companies internally, either in the same building or in another company facility (which is inspected during the audit as well). Accordingly, we can conclude that there are no subcontractors during the manufacturing process."*

Camper also has a policy for their raw material suppliers regarding environmental and quality standards. The company uses a list of banned substances (REACH) that is communicated to each supplier. Camper has provided additional information that *"auditing practice is not extended to our raw material suppliers yet. We are working on it and we expect to start auditing them in next months. However, we need to state that (i) our raw materials suppliers have entered into specific agreements with Camper, being committed to fulfill our CSR policy (which does include audits as well), and (ii) most of these raw materials suppliers are EU or USA companies, something that we believe that is adding some assumption of CSR good management."* No information on the social policy or their supplier code was found on their website.

**Affiliated to:** no information provided.

**Supply chain problems:** In their response to our research Camper has stated: *"All results are confidential, but we are in a position to state that no case of (i) child labour, (ii) forced employment or (iii) discrimination by reason of sex, race, religion... was detected in any of the companies that work with Camper since 2004."*

**Response to the report and letter:** no response.

**Conclusion:** Camper provided some information by email during the initial survey, but it has not reacted to the report and letter of Stop Child Labour. They did provide additional information for this report. It seems that they do check the implementation of their CSR policy and impose conditions on the use of chemical substances. However, the statement that they have found no cases of child labour, forced labour or discrimination since 2004 refers to their first tier suppliers. This does not guarantee that suppliers of materials or components used for the footwear production do not make use of child labour. A risk analysis beyond first tier suppliers is therefore recommended. Positive is that Camper has already taken some steps to improve the transparency and level of compliance in their supply chain beyond their first tier suppliers. Camper has a code of conduct, but this code cannot be found on their website. The company communicates hardly any information to the public.

**Website:** <http://www.camper.com/en>

## Clarks

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UPDATED

*Analysis based on their own information provided during the research phase, feedback phase, their website and recent response to the allegations of Stop Child Labour.*

**Response:** 13/4/2012, 13/09/2012 and 8/11/2012

**Production:** Clarks is the name of the private label they sell. Production mainly takes place in China, Vietnam, India and Cambodia.

**Content and implementation of CSR policy:** Clarks uses a Code of Practice with employment conditions in vendor factories which need to be signed by those factories. The Code includes a standard on child labour and the expectation that *“the vendor must have a documented policy and effective procedure for the remediation of any child found to be in their employment.”* The Code of Practice is not published on the website although Clarks shares environmental and social responsibility information with their shareholders as part of their annual report. It is mentioned on the website that *“social responsibility is the responsibility that Clarks accepts for the way in which our operations make a social, environmental, and economic impact. It’s about making a difference by the practices we adopt - accentuating the positive and eliminating the negative.”* Clarks shows commitment to reduce their environmental impact and has a clear policy on how to protect the Amazon rainforest environment. Clarks makes use of an audit programme to review working conditions in factories. This is being done using both internal monitoring and a global third party audit service provider to supplement their internal audits and to, as Clarks explains, provide coverage in certain countries where they have a reduced presence. Additionally Clarks has informed us that they *“support collaboration, both formal and informal, with other brands and organisations both in undertaking assessment through joint auditing and in driving improvement action with factories”*.

**Affiliated to:** Leather Working Group (founding member).

**Supply chain problems:** Some of the findings regarding child labour during the field research done by SOMO have been linked to Clarks. In a small workshop where a child was working the tag of Clarks was found. Other incidences of child labour were found at the sites of two subcontractors of Farida Shoes, one of Clarks first tier suppliers in India. Clarks investigated these findings and has informed Stop Child Labour about the outcomes. Regarding Farida Shoes we were informed that Farida has a policy not to employ anyone under the age of 18 and that no evidence of child labour was found in either of the factories of Farida nor in the stitching units operated by Farida in that area. However it was found that *“where work goes outside of Farida owned and managed factories the controls have not been adequate”*. At a contract stitching unit producing uppers for Clarks there were several health & safety concerns and there was no proper age verification control in place while young workers were found working there. Farida has promised to make improvements to the application of age verification processes and *“Clarks uppers will only be produced in Farida owned / managed factories and stitching units”*.

**Reaction to report and letter:** Clarks started investigating the findings of Stop Child Labour (SCL) by the end of September and SCL was informed of the outcomes in November. In September Clarks already stated in an email that they *“do take the possible use of child labour in the production of our products very seriously and actively seek to ensure it is not used”*. On the 8<sup>th</sup> of November a meeting of Clarks and SCL took place. Clarks explained that they discussed our reports with their suppliers and that they found the report very useful to make further concrete agreements with suppliers for improvements on the social conditions and labour circumstances in their supply chain, especially regarding subcontracting.

**Conclusion:** Clarks has been active to improve their corporate responsibility and seems actively involved in addressing environmental, health & safety and social issues in their supply chain. The findings on possible use of child labour in the production of shoes for Clarks show that it is not enough to have a Code of Practice signed by first tier suppliers and to have compliance to this Code regularly checked by auditors as the highest risks can be found with subcontractors and suppliers of components and materials. Clarks is aware of these risks and their long term relationships with suppliers is crucial to achieve improvement in the whole supply chain. The fact that Clarks made use of our report in a positive way and their open approach to our campaign is being appreciated.

**Website:** <http://www.clarks.co.uk/HelpandInfo/SocialResponsibility>  
<http://www.clarks.nl/nl-nl/informatie/over-ons>

## Cruyff Sports – Premium Inc

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UPDATED

*Analysis based on the questionnaire completed after publication of the first version of this report (October 15<sup>th</sup>), additional information provided and information from the website.*

**Response:** 24/10/2012 and 16/11/2012

**Production:** Shoe brands of Cruyff Sports are being produced by vendors located in Europe and the Far East: Portugal, Romania, Italy, Vietnam, Indonesia and China.

**Content and implementation of CSR policy:** Cruyff Sports has informed Stop Child Labour that they have no CSR policy or Code of Conduct yet but that they are working on this. A draft has been shared with Stop Child Labour and the Code will be finalized soon.

The company explained that they source from 11 vendors in the Far East via 3 trading companies with whom they have established a long cooperation. Cruyff Sports informed us that their *“production schedule is an on-going process overlapping multiple seasons on all of our brands. During these seasons multiple week long on-site visits are undertaken announced and un-announced to ensure the utmost quality of our products.”*

Cruyff Sports explained that they are currently conducting a dialogue both internally and with external stakeholders concerning how the company can develop its CSR initiative.

**Affiliated to:** No specific programme or initiative yet, but Cruyff Sports is in the process of selecting and assessing 3 of the main multi-stakeholder initiatives.

**Supply chain problems:** Cruyff Sports has explained that during visits to the factories they *“experience all aspects of the factories such as working times, workplaces, sanitary facilities etc. Our first hand experience during these trips leads us to believe that the workers within these production facilities have non-excessive working hours and that they are working in a clean and neat surrounding.”*

Cruyff Sports does not seem to focus on 2<sup>nd</sup> and 3<sup>rd</sup> tier suppliers where there is a higher risk of child labour or other social issues.

**Response to the report and letter:** There has been no reaction at all from Cruyff Sports on the correspondence from Stop Child Labour during the research phase and first phase of the shoe campaign (June – October). Cruyff Sports responded to the letter of October 25<sup>th</sup> sent after the publication of the first version of this report which was followed up by attention to this report in the Dutch media. Apologies were made for not responding to the requests of Stop Child Labour and information was provided on the current activities of the company to develop a CSR policy and Code of Conduct. Cruyff Sports informed us that they *“would like to have 40% of our supplier base audited and where needed corrective action plans implemented by the end of 2013, 60% by the end of 2014, 80% by the end of 2015 and over 90% by 2016. This shall be done by independent auditors and by our own on-site visits”.*

Other plans of Cruyff Sports are to *“implement our ‘Code Of Conduct’ (based on the ILO) throughout our manufacturing supply chain and where needed train or provide training to the factories so that they will be able to self monitor and regulate their own processes and where possible to work together with local initiatives and stakeholders”.*

**Conclusion:** It is surprising that Cruyff Sports does not have a CSR policy and Code of Conduct yet, while they are sourcing from countries like Vietnam, China and Indonesia where several risks concerning labour conditions can be expected. Positive is that they are working on this and that they have already taken concrete steps to join a multi-stakeholder initiative.

**Website:** <http://www.cruyffsports.com/>

## **Dr. Martens – Airwair International**

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*Analysis based on the questionnaire completed during feedback phase and information from the website.*

**Response:** 28/08/2011 and 06/09/2012

**Production:** Dr. Martens only sells shoes under their own brand. Production of shoes takes place in China, Thailand and Vietnam. The leather is sourced from South America, China and Vietnam.

**Content and implementation of CSR policy:** Dr. Martens uses a publicly available Code of Conduct which is based on the Code of the Ethical Trade Initiative. In the Code it is stipulated that *“it is the responsibility of each supplier to issue this code to all material and component suppliers and to actively engage with them to ensure that the standards are met.”* In the Code of Conduct there is a clear standard on child labour including the expectation that *“if any incidence of child labour is identified at a supplier, the supplier shall ensure that all children are transferred to quality education until they are no longer children.”*

To check the compliance with their Code Dr. Martens explains that formal audits are carried out by a *“3<sup>rd</sup> party specialized in understanding worker viewpoints and tackling lack of transparency.”* In addition they monitor their suppliers through visits of their own staff. Dr. Martens explained that they are currently working with all 1<sup>st</sup> tier and some key 2<sup>nd</sup> tier suppliers on CSR issues. They also explained they have *“long working relationships with most of our suppliers and have well defined processes in place.”*

On the website of Dr. Martens the company provides consumers information about their efforts to eradicate slavery and human trafficking the supply chain as this is now obliged by the ‘California Transparency in Supply Chains Act of 2010’.

**Affiliated to:** Leather Working Group.

**Supply chain problems:** In their response to the questionnaire Dr. Martens answered that they have encountered problems in the last two years regarding child labour, discrimination, excessive overtime, wages, health and safety and security of employment. They believe that these problems have not been eradicated in their supply chain. The company has sent us the ‘Operational Procedures for remediation of child labour in Industrial Contexts’ of Impactt<sup>ii</sup> which they have used to resolve issues of child labour at one supplier in the past to get the working children back to school. According to Dr. Martens there is a *“risk of child labour in small local workshops supplying components/materials to our finished footwear suppliers.”*

**Reaction to report and letter:** Dr. Martens sent us their answers to our questionnaire and the ‘Operational Procedures for remediation of child labour in Industrial Contexts’ of the organisation Impactt they have used in cases where child labour was found.

**Conclusion:** Dr. Martens is very open in their communication about the issues they have encountered and still foresee, including child labour. The measures they have taken to improve the relationship with their suppliers supporting the compliance to their Code of Conduct are appreciated. Dr. Martens is one of the few companies that has a clear and very practical policy in place in cases where child labour is found at a supplier. From their answers it is clear that they still foresee risks of child labour at subcontractors and material suppliers. They have started work though it is obvious that there is still a lot to do.

**Website:** <http://www.drmartens.com/>  
<http://www.dmusastore.com/t-social-responsibility.aspx>

## ECCO

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*Analysis based on the questionnaire completed during feedback phase and information from the website.*

**Response:** 21/06/2012

**Production:** ECCO is also the name of the only private label of the company. ECCO has their own shoe factories and tanneries in Indonesia, Thailand, China, The Netherlands, Portugal and Slovakia where approximately 80% of shoes for ECCO are produced.

**Content and implementation of CSR policy:** On their website ECCO states the following: *“ECCO is the only major shoe manufacturer to own and manage every step in the shoemaking process. This allows us to carefully monitor and control the impacts of all our operations. As a large employer, ECCO understands its responsibility and accepts it.”*

The ECCO Code of Conduct applies to the entire supply chain. It applies not only to companies within the ECCO Group (including shoe factories and tanneries), but also to external suppliers, wholesale and retail customers. In the Code of Conduct, specific attention is given to child labour. It is mentioned that *“ECCO’s long term goal is the elimination of child labour. The short term aim for ECCO is to improve the conditions for working children.”* ECCO believes that *“outright prohibition of any child labour may put children and the households to which they belong under even greater financial strain.”* Several principles are mentioned to clarify this, among others the principle that the minimum age limit is 15 years.

ECCO added that one of the Ten Commitments of the ECCO Code of Conduct states: *“ECCO supports the UN Convention on the Rights of the Child”,* which requires that ECCO act in *“the best interests of the child.”* The company explains that they take *“a responsible approach to this and ensures that the company confronts the challenges of implementing standards and works together – wherever possible – with suppliers and other brands. ECCO realizes that there are limits to its ability to ensure compliance and continuous improvement; however, they believe that addressing the problem is far better than simply abandoning the children and moving to another supplier”.*

On the website of ECCO, they mention that the Global Audit Team visits suppliers on a regular basis. *“They conduct extensive on-site audits, develop action plans together with our suppliers and follow up on the action plans to ensure that all improvements are implemented. We supplement our own internal effort with external auditing specialists who conduct independent audits and evaluate our audit system.”*

**Affiliated to:** not known.

**Supply chain problems:** ECCO explains that in general they see a good level of performance of their Code of Conduct. They had to terminate collaboration with a few suppliers, as the results of several audits did not show progress that met their expectations. The termination of collaboration with these suppliers was not done due to child labour. ECCO still foresees risks in their supply chain regarding child labour, discrimination, overtime and health and safety. Regarding child labour, this could be found at external suppliers but, according to ECCO not in their own shoe factories and tanneries.

**Reaction to report and letter:** ECCO did not respond to our request for information during the research phase. They responded to our letter of June 12 in the following matter: *“Apparently, we have failed to respond in a timely manner. Regardless of any misunderstandings or explanations within our organization, this is totally unacceptable and not in accordance with ECCO’s standards and values. ECCO’s view on child labour is crystal clear, and we do support your organisation’s efforts to protect children.”*

**Conclusion:** Within the shoe sector ECCO is an exception, as the manufacturing of their shoes primarily takes place in their own factories. Most of the leather being used is tanned in their own tanneries. Therefore, ECCO has tight control over their supply chain and has direct relationships with suppliers supplying components and materials whom they audit to monitor performance of their Code of Conduct.

Surprising is their principle on child labour, as they commit themselves to the elimination of child labour in the long term, while at the same time mentioning that their short-term aim is to improve the conditions for working children. We are aware of their concern that prohibition may cause problems for children and their families. As Stop Child Labour we do believe however that it is better to have a clear remediation policy and practices in place instead of accepting that children are working under certain circumstances.

**Website:** <http://www.ecco.com/en-XI/About-ECCO/Corporate-Responsibility>

## **Euro Shoe Group – Bristol**

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UPDATED

*Analysis based on the questionnaire completed during feedback phase and information from the website.*

**Response:** 06/04/2012 and 28/08/2012

**Production:** Euro Shoe sources the majority of their shoes through traders and a smaller part directly from suppliers in China and India. In India Euro Shoe has only one supplier for shoes.

**Content and implementation of the CSR policy:** Euro Shoe Group has a 'General Code of Conduct for Cooperation with our Suppliers' including attention to child labour. It is stated that Euro Shoe Group supports the UN Convention on the Right of the Child. The code of conduct is not available on their website. Euro Shoe confirms that subcontracting to informal workshops and domestic workers occurs in the supply chain. Euro Shoe makes use of internal and external audits. Asian Quality Assurance (AQA) checks the quality of the shoes but recently Euro Shoe has requested AQA also to check the labour circumstances at the production sites. Part of the Euro Shoe's policy is that suppliers are obliged to fill in and sign a certificate of 'no child labour'.

**Affiliated to:** The Dutch Association for Chain Stores in Shoes (VGS), Euro Shoe is investigating other multi-stakeholder initiatives to assess which initiative they will join.

**Supply chain problems:** Euro Shoe has not mentioned having encountered problems regarding child labour.

**Response to the report and letter:** Euro Shoe Group has informed us that *"we will analyse in detail the action plan for companies to eliminate child labour to see where we can make improvements in our business organisation."* Euro Shoe Group's response shows that the company takes the report and the findings seriously and wants to take measures to improve its policy and approach to child labour and poor working conditions. A meeting took place between Stop Child Labour and Euro Shoe during which the company explained more about the sourcing practices and plans and ambitions to improve their policy and practice to prevent and tackle child labour and other social issues.

**Conclusion:** Euro Shoe Group has a policy in place with attention to child labour. Like many other companies, Euro Shoe only focuses on first tier suppliers, whereas there is a significant risk of child labour further on in the chain. Euro Shoe has responded in a positive and pro-active manner to the reports of child labour and is clearly taking steps to improve their policy and practices.

**Website:** <http://www.euroshoe.com/>



## Fred de la Bretoniere – Estral BV

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UPDATED

*Analysis based on information from the website.*

**Response:** 13/06/2012, 27/08/2012, 11/10/2012 and 10/12/2012

**Production:** On their website it is explained that *“manufacture, sales and distribution of the Fred de la Bretoniere collection are fully managed by Estral. Estral places designs with highly qualified and specialized companies in The Netherlands, Italy, Portugal and Mexico for manufacture”.*

**Content and implementation of CSR policy:** No information on social responsibility is provided on the website. The company has informed us in October that they were developing a Code of Conduct which they will send to their suppliers later this year. It will also be published on their website. This Code of Conduct has been finalized and was shared with Stop Child Labour in December. In this Code of Conduct, with attention to child labour, it is made clear that the requirements apply to their own suppliers, their subcontractors and other business partners. Further it is explained that *“It is the responsibility of suppliers and other business partners to inform their subcontractors about this Code of Conduct and to ensure that these are accepted and implemented in every factory and workplace that produces, finishes packs or otherwise handles goods or performs services for Estral B.V.”*

**Affiliated to:** not known.

**Supply chain problems:** not known.

**Reaction to report and letter:** A first email was received from Fred de la Bretoniere immediately after the letter of June 12. A meeting was requested by them as well as information about when the letter was originally sent to the company. After our response nothing was heard until after a reminder. A reaction to the letter was promised though never received. In response to an earlier version of this report (December 7) Fred de la Bretoniere gave some more insight in the steps they are taking and showed interest to continue their process to pay more attention to Corporate Social Responsibility.

**Conclusion:** Until recently Fred de la Bretoniere did not have any policy or practice regarding CSR or child labour in particular. On their website very little information is provided to consumers regarding the company and the production of the shoes. The company mentions that they can *“proudly guarantee high-quality products, timely delivery, affordable prices and good margins”*, though we believe that they can not be proud on their level of transparency and apparent lack of social responsibility. However we are positive about the first steps the company has taken so far and the fact that the company now has a Code of Conduct which they will start implementing in the coming months.

**Website:** [http://website.bretoniere.nl/index.php?pagina=bretoniere\\_wholesale&lang=EN](http://website.bretoniere.nl/index.php?pagina=bretoniere_wholesale&lang=EN)

## Gabor

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*Analysis based on information provided during feedback phase and information from the website.*

**Response:** 28/08/2012 and 31/08/2012

**Production:** 85% of Gabor shoes are manufactured in their own production facilities in Europe (Slovakia and Portugal) and most of the leather is of Italian origin. Some of the supplies are coming from Asia, mainly from India.

**Content and implementation of CSR policy:** Gabor has a code of conduct that mentions clearly that they follow the ILO 138 Convention on minimum working age and they don't allow children below 15 years to work. They also mention that they have a supplier in South India where about 50 people are working. Gabor has visited frequently this company and conducting some research and development activities together and never came across any indication of child labour in that company.

Gabor states in their letter that *"in case a contractor, subcontractor, supplier or licensee violates one or several provisions of the code, the relevant company will be bound to initiate immediate corrective actions. If the corrective actions requested will not be taken, Gabor will stop the current production, annul existing orders, suspend future orders or terminate the business relationship"*. According to the website most of the activities on charitable projects, sport promotion, cultural sponsorship and training takes place in Germany.

**Affiliated to:** not mentioned in email response.

**Supply chain problems:** They don't describe or indicate any problems in the supply chain.

**Reaction to report and letter:** Gabor did not complete the questionnaire but send an official letter with some relevant information and a copy of the code of conduct that can be found on their web page. Gabor informed us that they *"have requested our suppliers to enforce controls in their own business and the whole supply chain. Next to this, our own Gabor personnel who is assigned to make local controls has been informed about the findings of your investigations"*.

**Conclusion:** Gabor does have a Code of conduct with attention to child labour but it is not clear if Gabor has any system in place to monitor their suppliers other than their example in India. It is recommended that Gabor provides more evidence on their actions to avoid child labour and how they take corrective actions when violations of the code takes place with their suppliers.

**Website:** <http://www.gabor.de/en/responsibility/>

## Geox

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*Analysis based on the questionnaire completed during research phase, additional information provided during feedback phase and information from the website.*

**Response:** 06/04/2012 and 28/08/2012

**Production:** Geox only sells its own shoe brand Geox. Production takes place, among others, in China, Indonesia, Cambodia and Vietnam.

**Content and implementation of the CSR policy:** Geox uses a Code of Ethics, including some core ILO Conventions. *"The Code of Ethics contains the principles with which the employees, directors, collaborators, customers and suppliers and, in general, all those who come into contact with the Geox company, must comply."* In the Code it is stated that *"Geox condemns the exploitation of child labour or of those detained against their will. The use of underage personnel is allowed only within the sphere of the correct application of the laws in force and according to the provisions of the UN Convention on the Rights of the Child."* Geox has informed us that they always visited all factories working for them in order to assess the compliance to contract obligations. Geox does not make use of external monitoring or audits.

**Affiliated to:** Leather Working Group.

**Supply chain problems:** Geox says that the company had no problems in the past few years with regard to the implementation of the eight ILO Core Conventions and does not foresee any related risks with their suppliers. Still, they indicate to be aware of the risks with regard to child labour in the shoe industry: *“We are sufficiently informed to understand that child labour could exist almost at each step of the production process”*. Geox has not yet carried out a formal risk assessment on child labour though as Geox explains the fact that they are *“developing a new code of ethics represents the evidence that we know the risk exists and our risk response is in the way for improvement”*.

**Response to the report and letter:** In a letter Geox informed us that *“our company is now developing a new exhaustive approach to a sustainable development of our business and to the relationships with all the stakeholders. Right now we are working with our partners in order to strengthen contractual relationships allowing for a more effective control in factories and subcontractors. We also validate a list of raw materials vendors where the manufacturers are allowed to procure leather, outsoles, textile, etc. According to a specific accreditation agreement, raw materials vendors are subjected to the same obligation as the manufacturer.”*

**Conclusion:** Geox seems to be working to improve their approach to sustainable development and their supply chain. Thus far Geox does not make use of external monitoring while this is important to address the risks of child labour and other poor labour conditions. Nonetheless, their recent efforts to establish direct relationships with the factories and to look beyond their first tier suppliers to raw material vendors as well are commendable. Although the Code of Ethics covers all relevant aspects, it provides no concrete recommendations to their suppliers. In addition it would be good for Geox to provide more and more concrete information on their website about what Geox is doing in the area of CSR.

**Website:** [www.geox.com](http://www.geox.com)

## Lotto Sport

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*Analysis based on information provided during feedback phase and information from the website.*

**Response:** 03/09/2012

**Productie:** Lotto Sport sells the following brands: Lotto Sport, Etonic, Lotto Legenda, Lotto Works and Le DD. It is not clear where the shoes are produced, though Lotto informed us it was not in India.

**Content and implementation of CSR policy:** Lotto Sport has a Code of Conduct which is published on their website. This code is based on the eight ILO conventions as well as on the Code of Conduct from the World Federation of the Sporting Goods Industry (WFSGI). In the Code it is stated that *“suppliers, as so as their eventual subcontractors, must ensure that all activities related to the manufacturing of LOTTO products, at least comply with all relevant applicable mandatory legal requirements, but in any case under appropriate working conditions and without the use of child labor”*. Lotto Sports makes use of internal audits and unannounced inspections to check the compliance.

**Affiliated to:** World and the European Federations of the Sporting Goods Industry.

**Supply chain problems:** no information provided.

**Reaction to report and letter:** In a short and formal letter Lotto Sport Italia mentioned that the company *“is strongly caring about child labour and eliminating it from production”*. And *“Lotto Sport Italia uses its best*

*efforts to select suppliers and cares that their production complies with International Standard requirements”.*

**Conclusion:** Lotto Sport Italia has a Code of Conduct that seems sufficient though it is not clear if Lotto makes use of external audits or a robust monitoring system. The information provided to us in their letter is very limited, as is the information given on corporate social responsibility on their website. Therefore we are not convinced that Lotto Sport is indeed using their best efforts to eliminate the risks of the use of child labour from their supply chain.

**Website:** <http://www.lottosport.com/en/dna/corporate-social-responsibility/corporate-social-responsibility>

## **Macintosh – Scapino, Manfield, Dolcis and Invito**

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*Analysis based on the questionnaire completed during research phase, additional information provided during feedback phase and information from the website.*

**Response:** 03/04/2012, 12/06/2012 and 16/08/2012

**Production:** Macintosh produces and sells the following brands: Internal Brands: Black Label, PRO 0031, Invito, Jones Bootmaker, Manfield, Hush Puppies NL, Hedgren, Gordon Scott, Steve Madden, Kickers, Madden Girl, Mazu, Ossom, PIURE, No Stress, Orchard, Caravelle, Novocento, Shick\*, Red Level, Clash, Zinc, Beegle, Emilio LucaX, Blue Box. Macintosh also sells a number of external brands, like Clarks, Nike, PUMA, Timberland, etc. Their own brands are produced mainly in Europe, China, India and Vietnam.

**Content and implementation of the CSR policy:** In its 2011 annual report, Macintosh has included a specific chapter on CSR: 'More sustainable step by step'. Macintosh has improved their CSR policy and practices since 2009. Macintosh states in their report that: *“Our procurement policy goes further than satisfying international laws and regulations. By mapping out the entire supply chain, we actively look for abusive practices, such as the use of environmentally harmful substances in leather tanning, or the use of child labour.”* Macintosh has developed a Code of Conduct with the principles that apply to all employees of Macintosh and uses the BSCI Code of Conduct for their suppliers. In a letter to their suppliers it is stated that *“the responsibilities in this code extend to all workers producing products or services for you [= the supplier] whether or not they are employed by you directly”.*

Compliance with this Code of Conduct is monitored through internal and external audits. However, this does not go beyond first tier suppliers.

**Supply chain problems:** Macintosh mentioned in the questionnaire that they have had problems in their supply chain with regard to working overtime and wages. They also still foresee risks in these areas and they are aware of the risk of using child labour in the shoe industry.

**Affiliated to:** BSCI and The Forest Trust. The Forest Trust (TFT) and Macintosh Retail Group set up the TFT Leather and Shoe Group in 2011 *“to make the leather and shoe industries more transparent, further increase their sustainability and develop industry standards.”*

**Response to the report and letter:** Macintosh was one of the first companies to respond to the letter of SCL and they shared their appreciation of the report and the fact that the shoe sector as a whole was addressed to combat child labour in the production of leather shoes.

Macintosh informed SCL about their pilot project for a supply chain mapping system for suppliers to state the materials that each shoe component contains and where they come from, right back to their source. Besides that Macintosh is working on a monitoring system to have more transparency in the supply chain and to be able to provide better communication about their activities.

**Conclusion:** Stop Child Labour is positive about the steps that Macintosh has taken so far to reduce their number of suppliers to be able to qualitatively improve their relationship with suppliers including starting with a supply chain mapping and monitoring system. Supply chain mapping beyond the first tier suppliers has only just begun. In addition it would be wise to have a specific risk analysis made for child labour at each stage of the shoe production. Macintosh still has a long way to go to reach full supply chain transparency and traceability but compared with other Dutch shoe companies Macintosh can be seen as a frontrunner.

**Website:** [http://www.macintosh.nl/duurzaam\\_ondernemen/inkoop\\_en\\_productieproces/](http://www.macintosh.nl/duurzaam_ondernemen/inkoop_en_productieproces/)

## Marks & Spencer

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UPDATED

*Analysis based on information from the website and additional information provided in emails.*

**Response:** 21/04/2012 and 26/11/2012

**Production:** Marks & Spencer (M&S) only sells shoes under private label. Their major suppliers are located mainly in Bangladesh, India and Sri Lanka.

**Content and implementation of the CSR policy:** M&S's Social Policy 'Global Sourcing Principles' is based on the Code of the Ethical Trade Initiative and refers to the eight ILO Core Conventions. There is specific and detailed attention to child labour, not only on prohibition but also on remediation: *"Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child."*

M&S requires their first tier suppliers to comply with this Code of Conduct and also wants them to impose this requirement on their suppliers. M&S has indicated that it regularly has internal and external audits of compulsory compliance with the Code of Conduct. The results are reported to the Ethical Trading Initiative<sup>9</sup> and summarised in M&S's CSR report 'How we do business'. Looking at the company's website, it is clear that CSR is important to M&S. They have been working on an ambitious and concrete programme (plan A) 'towards sustainable retail' since 2007.

M&S informed Stop Child Labour in October and explained that all of their first tier sites are audited by third party audit companies and that they do monitor beyond the first tier and they *"insist on visibility of all subcontracted sites. Our own employees visit to verify compliance standards in these units"*.

**Affiliated to:** Ethical Trade Initiative (ETI) since 1999 and Leather Working Group.

**Supply chain problems:** During the field research done by SOMO the researcher has found child labour in the production of shoes that can be linked to Marks & Spencer. The Indian researcher encountered adult workers in a small workshop who were stitching shoe uppers. The researcher asked for more styles of show uppers and one them had the tag of Marks & Spencer on it. In this workshop he saw a child of approximately 11 years old engaged in what seemed like pasting glue on a pair of shoes.

**Response to the report and letter:** Marks & Spencer did not respond to the questionnaire and the letter and report sent in June. It was difficult to get into contact with Marks & Spencer as they did not respond to emails send to the email address of their customer service department, the only one given on their website. Contact was established after the publication of this report in October and mentioning the name of the

company as being linked with the incidences of child labour in India. Marks & Spencer had started an investigation and informed Stop Child Labour that they “*have found no evidence of children at the factory or at any subcontracted sites that Farida use for M&S. We visited all of them and have no concerns in relation to child labour.*” M&S requested further evidence on the incidence where a child was found working in a unit where uppers were being produced for M&S. Unfortunately this evidence is not available.

**Conclusion:** M&S has a comprehensive CSR policy regarding all its products and communicates this on the website in many reports and updates. However it was difficult to get into contact with Marks & Spencer and to get their response to our reports and the findings. M&S has investigated the indications and informed Stop Child Labour that no evidence of child labour was found at sites of subcontractors of Farida Shoes. However another company (Clarks) had done research on Farida as well and has found a contract unit that did not comply with the expected standards and young workers were found without having evidence of their age.

Based on the information found on the website and explanation given in two emails M&S seems to have a good approach to ensure compliance with their policy however M&S did not provide enough information to confirm that M&S is indeed taking the right and effective measures to combat child labour in their full supply chain.

**Website:** [http://corporate.marksandspencer.com/?intid=gft\\_company](http://corporate.marksandspencer.com/?intid=gft_company)

## Nike

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*Analysis based on information from the website.*

**Response:** 13/4/2012 (automatic reply with reference to CSR website)

**Production:** Nike sells the following brands: Nike, Cole Haan, Converse, Hurley, Umbro and Jordan. Its suppliers are located in America, Europe, the Middle East, Africa, North Asia and South Asia.

**Content and implementation of the CSR policy:** Nike has a Code of Conduct and regularly publishes a CSR report. The Code of Conduct specifically refers to human rights and the eight ILO Core Conventions. This Code of Conduct applies to Nike’s own production as well as to all suppliers, business partners and subcontractors. To guarantee compulsory compliance with the Code of Conduct, Nike carries out internal and external audits every 12 to 18 months. Their focus is shifting from a monitoring role to a system in which factories are rewarded for their performances and contributions to improvement. Nike also conducts risk analyses with regard to child labour.

Nike’s website mentions that they “*have been working with contract factories to build their human resources management skills and help them reach even higher levels of economic, social and environmental performance. Our work has centered around three fronts: Working conditions in factories: environment, safety and health; Labour rights, freedoms and protections; and Workers’ lives outside of the factory, and living conditions in their communities.*”

**Affiliated to:** Fair Labor Association and Leather Working Group.

**Supply chain problems:** Nike has indicated that it had problems during the last two years in their supply chain with regard to excessive working hours and wages: “*Over the five years from FY (Fiscal Year) 07 through FY11, the most common issues were those related to hours worked and wages*”.

**Response to the report and letter:** No response.

**Conclusion:** Nike has not completed the questionnaire but refers instead to their website in a standard email. Nike publishes a great deal of information about their CSR policy and approach. Nike was one of the first companies to be confronted with abuses in their supply chain, including child labour. Since then Nike has introduced many improvements and is seen as a frontrunner among shoe companies. The company states on its website: *“To go beyond merely addressing the symptoms of the problems, we realized that we had to actively collaborate with others, including governments, NGOs, activists and, yes, our long-time competitors. That required us to become far more open. Nike realized that transparency and collaboration are competitive advantages.”*

**Website:** <http://www.nike.com>

## PUMA

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*Analysis based on the questionnaire completed during research phase, additional information provided during feedback phase and information from the website.*

**Response:** 05/04/2012 and 26/06/2012

**Production:** PUMA sells the following shoe brands: PUMA, Brandon, Dobotex and Cobra Golf.

**Content and implementation CSR policy:** The PUMA Code of Conduct and the PUMA.Safe Handbook Social Standards 2012 can be found on PUMA’s website. The Code of Conduct refers to the eight ILO Core Conventions, which include both Conventions on all prohibited forms of child labour. PUMA has indicated that it has outsourced production to independent suppliers. The Code of Conduct applies to these suppliers as well as all other business associates and subcontractors. Compliance with this Code of Conduct is compulsory and is monitored through internal, external and multi-stakeholder audits. External and independent monitoring of factories is done by the Fair Labor Association and the audit results are reported publicly to ensure transparency. The company explains that the PUMA.Safe team visits subcontractors of PUMA manufacturers where possible. The monitoring activities are reported annually in the Sustainability Report of PUMA.

PUMA is one of the few shoe companies with a child labour (remediation) protocol in case child labour is suspected or found.

**Supply chain problems:** PUMA has indicated that over the past two years they have experienced problems in their production chain as regards discrimination, freedom of association and the right to collective bargaining, working overtime, wages, and health and safety. PUMA also indicated that they foresee problems in all eight core Conventions (forced labour, child labour, discrimination, freedom of association and the right to collective bargaining, overtime, wages, health and safety, and job security). PUMA has indicated that they are aware that there is a risk of child labour in the production of shoes in a number of countries and that there is a policy in place to deal with these issues. The company informed us that they have made an elaborate analysis of child labour risks in a number of countries.

**Affiliated to:** Sustainable Apparel Coalition (SAC) since 2011 (to reduce the environmental and social impacts of apparel and footwear products), Fair Labor Association (FLA) since 2004 (to improve social and working conditions in factories within the global supply chain), Leather Working Group, ILO Better Work, UN Global Compact, German Round Table on Codes of Conduct.

**Response to the report and letter:** In the letter of PUMA they mentioned: *“First of all we would like to express our recognition for your engagement, especially for including consumers into your campaign. Therefore the letter is directed towards your organization but more importantly to consumers who are supporting this initiative to raise public awareness of the issue of child labour.”* About child labour PUMA

mentioned that *“it has been one of the most prominent issues since companies started to outsource their production to low-cost sourcing countries.”* *“However, despite PUMA’s numerous standards and regulations, monitoring activities and capacity building initiatives even PUMA cannot ensure a hundred per cent control over the entire supply chain of thousands of suppliers.”*

**Conclusion:** PUMA has answered the questionnaire extensively. All the reports they refer to can be found on their website. PUMA has experienced problems in the sector; they foresee risks, but have also taken several measures to deal with child labour in their production chain. In the shoe industry they are frontrunners when it comes to transparency, chain responsibility and fighting child labour. However, PUMA’s answers indicate that they focus on the first tier suppliers and that they do not have full insight and control of the entire chain. PUMA, too, cannot guarantee that its production chains are child labour free.

**Website:** <http://about.PUMA.com/>

## Sacha Shoes

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UDPATED

*Analysis based on the questionnaire completed during feedback phase and information from the website.*

**Response:** 06/09/2012, 10/09/2012 and 13/12/2012

**Production:** Sacha sells for 97.5% their own brand Sacha; and for 2.5% others, like Dr. Martens, Yellow Cab, Le Coq, Pantofola d’oro, Sancho, Shepherd. Sacha does not source leather directly. Sacha sources shoes mainly in Portugal, Italy, Rumania and China.

**Content and implementation of CSR policy:** Sacha is a relatively small company that does not have its own factories. The company has a formal policy statement on labour and human rights that they use only with regard to the production and marketing of Sacha shoes. Sacha has made their social policy mandatory and if the document is not signed, Sacha does not trade with that company. *“Signing the reconfirmation supplier explicitly states that no child labour is used in the production goods.”*

The policy incorporates: to follow the laws in the country where they trade with on forced labour; child labour; non-discrimination and environmental friendly approaches to be used. In the Code of Conduct for their suppliers, now available on the web page of Sacha, it is stated that *“the contractor does not employ any person below the legal age limit to produce footwear. The contractor does not employ any person below the age of 16 to produce apparel, accessories or equipment. To further ensure these age standards are complied with, the contractor does not use any form of homework for Sacha production”*.

Sacha is using internal audits only and monitors the supplier compliance with the social requirements only internally. Some general information on social responsibility and environmental issues is available on their web page.

**Affiliated to:** Dutch Association for Chain Stores in Shoes (VGS).

**Supply chain problems:** Sacha indicates that they have not encountered any problems encountered in the supply chain over the last 2 years. However they foresee risks in the supply chain concerning freedom of association and rights to collective bargaining as well as excessive overtime and health and safety.

**Reaction to report and letter:** Sacha expressed concern on the research as they are a small company and the research in their opinion should also be focused on large companies in the shoe production supply chain like the trading companies. In December Sacha has informed Stop Child Labour that they have been in contact with the Dutch Association for Chain Stores in Shoes (VGS) and the Business Social Compliance



Initiative (BSCI) to discuss the labour conditions in the shoe production, primarily regarding production in India. Sacha explained that BSCI is planning to organize an open forum which should lead to an action plan on the working conditions, with specific attention to the issue of child labour.

**Conclusion:** Sacha Shoes has a policy for their suppliers giving attention to child labour, with the specific requirement that home work is not being used for the production of their shoes. It should be noted here that Sacha does not have external audits or a monitoring system to check compliance with their policy. Having a social policy and making it visible on the website is not sufficient. It is recommended that Sacha pays more attention to the implementation and monitoring of their social policy especially on the use of child labour in the production of the shoes they sell.

**Website:** <https://www.sacha.nl/about-sacha>

## Schoenenreus

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*Analysis based on information provided during feedback phase and information from the website.*

**Response:** 19/06/2012

**Production:** Schoenenreus sells shoes under several private labels like Via Roma, Hupsakee, Boycot.It, Topolino, Gold Step and Teamcity. They also sell brands like adidas, Birkenstock, Fila, Le Coq Sportif, Nike, PUMA, Rucanor and Umbro. No information is provided on where their shoes for their private labels are produced.

**Content and implementation of CSR policy:** On their website no information can be found on the corporate social responsibility policy and practices of Schoenenreus. Schoenenreus has informed us that they do have a social policy and that they regularly visit the factories where the shoes for Schoenenreus are produced. During these visits attention is being paid to child labour.

**Affiliated to:** Dutch Association for Chain Stores in Shoes (VGS).

**Supply chain problems:** No information provided.

**Reaction to report and letter:** Schoenenreus has sent a short letter with the comment that they regret the fact that we have associated them with our appeal to the shoe sector to come to an effective policy and practice against child labour. They informed us that they have a policy for their suppliers they need to comply with which also refers to child labour.

**Conclusion:** Schoenenreus has stated that they reject the use of child labour and that they have a policy and measures in place to make sure that their suppliers do not make use of child labour. However this does not seem to go further than a policy and Schoenenreus does not make use of external audits or a monitoring system to check compliance to their policy. It is recommended that Schoenenreus pays more attention to the implementation and monitoring of their social policy especially on the use of child labour in the production of the shoes they sell. Additionally it would be good to provide concrete information on their website regarding the efforts of the company to improve their social responsibility.

**Website:** <http://www.schoenenreus.nl/over-schoenenreus>

## Timberland

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*Analysis based on the questionnaire completed during research phase, additional information provided during feedback phase and information from the website.*

**Response:** 30/08/2011, 13/05/2012 and 15/06/2012

**Production:** Timberland only sells private label shoes, and has suppliers in Argentina, Bangladesh, Brazil, China, India, Indonesia, Thailand, Turkey and Vietnam. A detailed list of all their suppliers can be found on the website. The factory list is updated every quarter and includes the name, address and business unit for each location. In addition to the names of the manufacturers, it also lists the names of the leather and non-leather suppliers. Timberland does this because they believe that, *“along with others in our industry, factory disclosure and collaboration can create common standards and shared solutions – helping to advance global human rights in all of our factories.”*<sup>iii</sup>

**Content and implementation of CSR policy:** Timberland is since 2011 part of VF Corporation and uses the VF Corporation Terms of Engagement and their Global Compliance Principles, which specific attention to child labour. On the website it is stated that *“VF monitors compliance with its Terms of Engagement and Global Compliance Principles at every facility that is involved in manufacturing VF-branded products, and brands for which it is licensed to produce. This includes all cutting facilities, sewing plants, embroiderers, laundries, and packaging locations as well as raw material suppliers for knit and woven fabrics, tanneries, and branded component suppliers.”* Timberland publishes a lot of information regarding their social responsibility on their website, there is information provided on their Code of Conduct, Compliance, Supplier Sustainability, Worker Engagement and Sustainable Living Environments.

Timberland makes use of internal and external monitoring. A risk assessment on child labour is carried out in each Code of Conduct assessment. *“Timberland is committed to ensuring that factories we source from go beyond compliance. Our approach prioritizes workers’ voices to ensure they are heard and valued, and also promotes community engagement throughout our supply chain.”*

**Affiliated to:** Sustainable Apparel Coalition, Global Social Compliance Programme (GSCP), UN Global Compact, BSR and SA 8000.

**Supply chain problems:** Timberland has indicated that over the past two years they have experienced the following labour right violations in their production chain: child labour, discrimination, freedom of association and the right to collective bargaining, excessive overtime, wages, health and safety, and job security. Timberland also foresees risks in their production chain as regards freedom of association and the right to collective bargaining, working overtime, wages, and health and safety.

**Reaction to report and letter:** In an email Timberland responded to the report and letter in the following way: *“Thank you for the positive comments on Timberland’s efforts in this area. We don’t have anything further to add beyond our responses provided in the questionnaires.”*

**Conclusion:** Timberland is within the shoe sector an exception considering their efforts to implement labour rights with both first and second tier suppliers while also reaching out to the tannery level. It is also exceptional in terms of their transparency and open communication. But it also shows that still many problems in the supply chain, also child labour, still need to be tackled. On their website a lot of information can be found regarding their policy and practices on corporate social responsibility. Timberland publishes a full and detailed factory list.

**Website:** <http://responsibility.timberland.com/>

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## **UGGS – Deckers Outdoor Corporation**

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UPDATED

**Response:** no response at all.

**Production:** The company Deckers sells the following brands: UGGs, Teva, Sanuk, Mozo, Ahnu and Tsubo. Deckers has a list of their suppliers and factories published on their website which represents approximately 90% of Deckers procurement spend.

**Content and implementation of CSR policy:** At the website of Deckers Outdoor Corporation a lot of concrete and detailed information is given on their policy and activities regarding corporate social responsibility. It is mentioned that: *“Not only do we design, market and distribute our products with respect for our natural resources we also partner with our manufacturers and suppliers to ensure fair, safe and healthy workplaces”*. It is explained that Deckers programme for *Ethical Supply Chain (ESC)* ensures that *the factories which manufacture our products conform to fair labor standards. Those standards expressly preclude child labor, forced labor and human trafficking.*

A Code of Conduct for the suppliers is available on their website. Monitoring of adherence to this Code of Conduct is being done by the internal audit team of Deckers. The company has also published a supplier list and a CSR report.

**Affiliated to:** not known.

**Supply chain problems:** no information given.

**Response to the report and letter:** no reply to report and letter.

**Conclusion:** Deckers publishes quite a bit of information on their CSR, including their social policy and Code of Conduct for their suppliers. A list of suppliers representing 90% of the sourcing expenditures is made available on their website as well. Despite their good policy and transparency to the consumers, UGGs – Deckers did not respond at all to our various requests of information.

Website: <http://www.deckers.com/company/corporate-responsibility>

## Van Bommel

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UPDATED

*Analysis based on the questionnaire completed after publication of the first version of this report (October 15<sup>th</sup>), additional information provided and information from the website.*

**Response:** 05/11/2012

**Production:** Van Bommel has its own factory in the Netherlands and production of all complete shoes takes place in Europe: The Netherlands, Portugal and Spain. The leather is being sourced from Italy and France. For a third of the shoes uppers are being stitched in Tunisia and India. Van Bommel supplies the materials (leather and thread) to these factories.

**Content and implementation of CSR policy:** Van Bommel has an extensive Suppliers Manual with information and standards on terms of sale, quality management, factory minimum standards and also child labour and labour conditions. Suppliers are obliged to be familiar with the minimum working age and to

adhere to the national law on this. The same is expected from subcontractors. The ILO Convention 138 on the minimum age is mentioned as well. This suppliers manual is not publicly available.

Van Bommel explains that their supply chain is small and with long-term relationships: *“the contacts between our specialists here in The Netherlands and the foreign sites are very intensive”*.

Van Bommel makes use of a management system and internal audits to assure compliance with their suppliers manual; no external monitoring is being done.

The company does not provide any information on corporate social responsibility or sustainability. It is not known if Van Bommel has a specific CSR policy or implementing CSR activities.

**Affiliated to:** no specific programme or initiative.

**Supply chain problems:** no information given.

**Response to the report and letter:** There has been no reaction at all from Van Bommel on the correspondence from Stop Child Labour during the research phase and first phase of the shoe campaign (June – October). Van Bommel responded to the letter of October 25<sup>th</sup> sent after the publication of the first version of this report which was followed up by attention to this report in the Dutch media. Van Bommel has filled in the questionnaire and provided some additional information.

**Conclusion:** The risk of use of child labour in the supply chain of Van Bommel is relatively small because there is no long supply chain, an elaborate suppliers manual is being used and intensive contact with production sites in Tunisia and India takes place. However, as there is some production of uppers in (high)risk countries with regard to child labour and no external monitoring or other verifiable information available, the risk of child labour and/or labour rights violations is still present. It is recommended that Van Bommel develops a concrete and effective CSR policy and will start informing consumers about their policy and progress on CSR issues through their website.

**Website:** <http://www.vanbommel.com/en/>

## **Van Haren (Deichmann )**

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*Analysis based on information provided during research phase, additional information provided during feedback phase and information from the website.*

**Response:** 12/09/2011, 25/04/2012, 13/06/2012, 21/8/2012 and 07/09/2012

**Production:** Van Haren is part of the Deichmann Group; they sell 60 private, external and licensed brands. Production takes place in Europe and Asia.

**Content and implementation of the CSR policy:** Deichmann has a Code of Conduct based on the ILO Conventions. Compliance with this code, which is compulsory for all suppliers and subcontractors, is monitored through internal and external audits. Van Haren's procurement is via the Deichmann Group in direct collaboration with the shoe manufacturers. No procurement takes place via the distribution or wholesale trade. Deichmann Group has direct contact with the manufacturers and also has local employees who monitor compliance with the Code of Conduct in the countries in which their shoes are manufactured. Deichmann trains its suppliers to make them aware of the need to eliminate child labour. In India virtually all manufacturers have SA 8000 certification.

**Affiliated to:** BSCI, SAI (SA 8000) and VGS.

**Supply chain problems:** Deichmann states that they have never found any cases of child labour at their suppliers. In a statement to Stop Child Labour Deichmann has indicated that: *“For the area of home workers our suppliers, together with their subcontractors, are currently testing a ‘Family Card’, which is intended to help improve the monitoring of orders that are given to home workers. A very topical matter for discussion at the moment is the establishment of monitored ‘Public Places’ where home workers can carry out work orders in their own village. This would considerably improve the monitoring of possible child labour and enhance transparency.”*

**Response to the report and letter:** In their statement Deichmann has mentioned the following: *“Collaboration with our suppliers starts right back at the product development phase. Our buyers/product managers, designers and technicians work very closely with our suppliers and visit them regularly. Our local employees then accompany the further processes as far as the dispatch of goods for delivery. For this reason, our local quality assurance colleagues and our European travelling technicians also know all the shoe manufacturers’ “subcontractors” and regularly carry out checks there during production. Our colleagues have confirmed that children have never been encountered during these visits.”*

**Conclusion:** During the investigation carried out by SOMO in 2011, Deichmann already responded and provided information on their policy and practice. They have been very helpful in providing all the information asked for. However, not much information can be found on their website regarding their CSR policy and practice. This could be improved. In Deichmann’s contact with Stop Child Labour they have shown their commitment to responsible sourcing and have explained their efforts to improve the situation in the factories. However, more can be done to get a better insight into their supply chain beyond first tier suppliers.

**Website:** <http://www.vanharen.nl/NL/nl/corp/duurzaamheid.jsp>  
<http://www.deichmann.com/DE/en/corp/unternehmen.jsp>

## Van Lier

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UPDATED

*Analysis based on the questionnaire completed after publication of the first version of this report (October 15<sup>th</sup>) and information from the website.*

**Response:** 18/10/2012 and 26/10/2012

**Production:** The bulk (80%) of the shoes of Van Lier are produced in Europe. Since a few years Van Lier is sourcing as well from a few Asian suppliers. Van Lier has informed us that in India the company has one supplier producing less than 3% of their shoes. Van Lier has provided the names of its suppliers to Stop Child Labour.

**Content and implementation of CSR policy:** Van Lier did not have a specific policy on corporate social responsibility or a specific statement on labour conditions and child labour. Compliance of suppliers with social requirements are being checked through company visits and additionally Van Lier has been informed about external monitoring visits arranged by other customers of their supplier.

Van Lier has informed us that *“Van Lier started sourcing in Asia a few years ago and now realizes it needs to implement a more refined CSR policy to be able to continue operating in these countries”*. The company has made a good start by publishing the content of their Code of Conduct on their new website.

**Affiliated to:** Federation of Dutch Footwear Producers (Federatie van Nederlandse Schoenenfabrikanten).

**Supply chain problems:** no information given.

**Reaction to report and letter:** There has been no reaction at all from Van Lier on the correspondence from Stop Child Labour during the research phase and first phase of the shoe campaign (June – October). We have received a statement from the director of Van Lier after the publication of this report (October 16<sup>th</sup>, 2012) which was also used to inform consumers. Van Lier's director responded that he had never seen the questionnaire and that it was not correct of Stop Child Labour to report to the public that Van Lier was not willing to provide information. Thereafter Van Lier has filled in the questionnaire to provide the requested information.

**Conclusion:** It is clear that Van Lier is now more aware of the importance of having a CSR policy and a Code of Conduct including attention to social aspects and labour conditions, including child labour. It is recommended to Van Lier to make this even more concrete and practical. The fact that Van Lier has been so open to admit the need for improvement is appreciated as well as their active approach to provide information on this on their website.

**Website:** <http://www.vanlier.nl/>

## VEJA

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*Analysis based on the questionnaire completed during feedback phase and information from the website.*

**Response:** 19/06/2012

**Production:** On the website it is explained that Veja shoes are made of Canvas, made from organic cotton, grown by 350 families in Ceara, North of Brazil. They use agro-ecological farming. Besides canvas wild rubber is used from the Amazonas. Veja works with a cooperative of 36 families tapping the rubber. Leather comes from Uruguay and Brazil and is tanned with acacia extracts, a natural non-polluting method. The shoes are assembled in South Brazil in a factory "*which respects workers' rights and dignity*".

**Content and implementation of CSR policy:** Veja is a relative small company that produced 120,000 pairs of trainers in 2011. It is a unique company as they are involved at each step of the whole supply chain. They have a direct relationship with the cooperatives and work in a close collaborative partnership. The company is using fair trade cotton and latex. Veja explains that their supply chain is being monitored constantly as that is the basic principle of the company. Social audits (third party audits) have been conducted in 2008 and 2009.

**Affiliated to:** Ethical Trading Initiatives (ETI); SA8000 (Social Accountability International - SAI); Fair Trade Standards; ILO Declaration on Fundamental Principles and Rights at Work.

**Supply chain problems:** Veja explained that they have no supply chain problems as it is constantly evolving and trying to improve the supply chain on a daily basis. "*Veja has been built on 3 main principles: 1. Using ecological inputs; 2. Using fair trade cotton and latex; 3. Respecting workers' dignity. Veja has created a global chain that emphasizes solidarity and the environment, from the small producers in Brazil to the European concept stores as final output.*"

**Reaction to report and letter:** Veja reacted late to the questionnaire and reminders due to internal communication problems. However Veja is very concerned and submitted a fully completed questionnaire and 2 audit reports. The website also provided comprehensive information, very open and transparent. Veja has also mentioned our research and shoe campaign on their website. They mentioned that "*NGO's studies*

and investigations are always a good opportunity to keep questioning Veja's project as well as having a third party's look on how we work".

**Conclusion:** Veja is an exceptional company compared to many others as they started Veja with the willingness to change the way sneakers were made. Since 2004, Veja is built on 3 main principles as explained above. *"From small producers in Brazil to concept stores in Europe, Veja has created a solidarity chain featuring a global approach with transparency at its core."* It is recommended for the reader to look at Veja's website for information and ideas. Recommendation for Veja is to maintain the informative website, openness and transparency.

**Website:** <http://www.veja.fr>

## Wolky

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*Analysis based on information from the website.*

**Response:** 22/06/2012 and 19/07/2012

**Production:** On the website it can be read that Wolky has set up its own factory in Mexico and is collaborating with factories in Spain and Portugal. Almost all the leather is produced in Italian tanneries. Wolky has placed an extensive report on their website about the production process of Wolky shoes. It provides a lot of information and photographs on the production of the individual components and the assembling of the shoes.

**Content and implementation of CSR policy:** On the website it can be read that Wolky cares for the environment: *"While environmental issues become more and more important, Wolky is one of the leading shoe-companies in using environmental friendly materials. The Font collections exists out of leathers that are all tanned without using any chrome or vegetable extracts and are therefore not only skin friendly, but also environmental friendly. Wolky keeps the World green."* Also social issues are being mentioned: *"Wolky values a good relationship with their factories and good working conditions for the people making a high quality product"*. No Code of Conduct is published on their website and no information is given on their social policy and monitoring of their suppliers.

**Affiliated to:** not known.

**Supply chain problems:** According to Wolky there is no risk of child labour in their supply chain as they do not have any production in risk countries. They explained that the shoes are produced in Portugal and that the leather comes from Italy. On their website however it is explained that they also have a factory in Mexico. Without more concrete information we can not rule out the risks of child labour in the supply chain of that factory (supply of leather, components or materials), nor the factories in Europe as it is not clear where all raw materials and components are produced.

**Reaction to report and letter:** Wolky has asked Stop Child Labour to remove Wolky and the photo of a Wolky shoe from our online 'Mr. Scribble' tool. We have done so but we asked for a more extensive response to the report and our letter. This was not provided.

**Conclusion:** The commitment to CSR issues and their visual explanation of the production of Wolky shoes, as provided on their website, is appreciated. With regard to (prevention of) child labour and labour rights violations, however further information is lacking. We regret Wolky's reaction to our campaign and believe that transparency about production, also in the supply chain, is a prerequisite for any responsible company.

**Website:** <http://www.wolky.nl/>



## Annex 1

### Description of the findings of the Indian researcher which have been linked to Clarks, Marks & Spencer, Bugatti and Bata

#### In the area of Ambur (South India)

##### **Clarks and Marks & Spencer**

The small fabrication unit that we stumbled upon was located in Minnur. It had two small dingy rooms and badly lit. There were 4 stitching machines. 2 women and 2 men were working. As we entered the unit, they were very surprised and told us that they will all lose their job if the owner gets to know this. We wanted to see the shoe upper that they were stitching, and found the tag of **Clarks** on it. I wanted to find out if they had any more styles of show uppers and one of them had the tag of **Marks & Spencer**. When all these were happening I saw a child barely 11 years old sitting on the floor at one corner and engaged in what seemed like pasting glue on a pair of shoes. There was also a lot of scrap leather all around. In all probability this unit could be involved in fabrication both for the export market and the local retailers depending upon the orders that come in.

##### **Findings at subcontractors of exporter/producer Farida Shoes Supplying, among others, to: Marks & Spencer and Clarks**

Of the first two fabrication units, the manager of one of them confirmed to me that they make shoe uppers for Farida Group and employ 80 workers. Currently they were working on **Bugatti and Clarks**. It was lunch time when we visited this unit and spotted a bunch of girls below 18 years. I, personally spotted at least two girls who seemed to be below 15 years and the workers accompanying me agreed but when I tried to photograph them with my mobile camera they requested me not to, though I did photograph them from behind. The workers were all inside the premises and they were not allowed to go out of the security gates.

The second fabrication unit which caters to the Farida Group, also had women workers mostly and employed girls below 18 and we did spot a couple of girls who were not more than 14 years old. However, before we could make our moves the supervisor came and told us that the manager was not there and if we want to talk we can call him over his phone no. This unit employed 60 workers. The workers accompanying me informed that this unit has a prior record of employing young girls and was once caught by the government officials.

#### Agra (North India)

##### **Bata**

In Nainana Jat and Dhanoli, we visited the homes of workers who hand stitch on shoe uppers. In Nainana Jat, it seemed that boys and girls of 13-14 years are trained to hand stitch, though young adult women and men can stitch more pairs of uppers a day than the children. Mangal Singh, who has just turned an adult can stitch 50 pairs working for 14 hours a day. He has been stitching since he was 12 years old. In Dhanoli we visited a house where both mother and daughter are engaged in hand stitching. The daughter is 15 years old.

In Nainana Jat we could make out the brand name of **WEINBRENNER (Bata)** in one of the uppers but there was no tag on the uppers stitched in Dhanoli.

##### **Findings at subcontractor Gupta Overseas, supplying, among others, to: Clarks Mentioned supplying to Bata as well**

Dara employs two skilled workers and the rest are family members like his children, his uncle's children

etc., depending upon who are available. His brother's children also work with him. He told me that all the boys are aged between 13 and 17. "In our fabrication business it is impossible to earn a decent living without the help of family labour and the help from our children," Dara told me.

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<sup>i</sup> Companies, trade unions and campaign organisations work together in Multi-Stakeholder Initiatives (MSIs) to improve workers' conditions. By working alongside trade unions and campaign organisations in garment producing as well as garment consuming countries, companies can better understand workers' issues and involve them in processes aimed at improving their working conditions. A number of important MSIs are listed below.

The Fair Wear Foundation and the Fair Labor Association concentrate on verification processes. Social Accountability International accredits companies and organisations that verify whether factories comply with the SA8000 code. The Worker Rights Consortium focuses on fair university garments. The Ethical Trading Initiative was set up to pool and share expertise.

<http://www.schonekieren.nl/multi-stakeholder-initiatieven> Multi-stakeholder level audits are, for example, audits with equal and participatory involvement by several parties, both internal and external.

<sup>ii</sup> <http://www.impactlimited.com/resources/impactts-operational-procedures-for-the-remediation-of-child-labour-in-industrial-contexts>

<sup>iii</sup> [http://responsibility.timberland.com/wp-content/uploads/2012/10/Q2\\_2012\\_factory\\_list.pdf](http://responsibility.timberland.com/wp-content/uploads/2012/10/Q2_2012_factory_list.pdf)