Annual Report 2023





Contents

- 3 Reflections on 2023
- 6 About Arisa
- 8 Stories from South Asia: Community mobilisers
- 11 Activities and achievements per sector
 - 12 Natural stone case example: The TruStone Initiative
 - 14 More on our work in natural stone supply chains
 - 15 Garments and textiles case example: The Factory Support Programme
 - 17 More on our work in garments and textiles supply chains
 - 19 Leather case example: Together for Decent Leather
 - 21 More on our work in leather supply chains
 - 22 Vegetable seed production: The WISH project
- 24 Spotlight on the caste system in international supply chains
- 26 Stories from South Asia: The Factory Support Programme
- 29 Moving forward: Our 2024 focus
- **31 Financial summary**

Message from the board

As we navigate through turbulent times, the mission of Arisa becomes ever more necessary. Shifts in the Netherlands, the European Union and globally affect Arisa's activities. In the Netherlands, we may soon have a government with reduced interest in international cooperation. This highlights the necessity for Arisa to diversify its funding base. With a significant proportion of our budget currently reliant on the Dutch government, our recent collaboration with the German foundation Brot für die Welt marks a promising step towards this diversification.

The context of reality in the region where Arisa operates remains a cause for concern. Our efforts to promote transparency and decent working conditions also pose challenges for our local partners. As a member of the Dutch Broad Human Rights Coalition, we are committed to strengthening our advocacy efforts and urging the Dutch government to prioritise human rights issues.

There is growing recognition of the importance of corporate responsibility and social sustainability in the business sector, driven both internally and by external pressure such as customer demand and current and future legislation in the EU, EU member states and other jurisdictions. Arisa has a unique position in the sectors we work in because of our well-kept balance between taking a critical role and working constructively with businesses. By not accepting funds from the entities we aim to influence, we ensure the integrity of our work.

Grounded in the dedication of Arisa staff and the collaborative efforts of our partners, we strive to leverage our strategic position for ever greater impact. Together, we remain steadfast in our commitment to improving the lives of working people in South Asia.

Karen Kammeraat Dominic Terberg Gloria Kok







In 2023, South Asian and other governments again increasingly **targeted NGOs and trade unions** for their efforts to improve the **living and working conditions of communities.** Some civil society organisations in our focus region had their foreign funding withdrawn or were subjected to administrative investigations and questioning about their contacts with international organisations. Thus, Arisa's work continues to be affected by the shrinking civic space in South Asia and elsewhere.

We face a **dilemma**. We want to speak out about this repression, but we do not want to put our partners at risk or compromise their work. We seek to continue our critical work on **labour rights abuses in global supply chains,** but we also have to consider the consequences. What can we say without jeopardising the work of our partners and others in South Asia? We have discussed this internally and with our partners over the past year, and we will keep the issue under review.

This year we have started to work more on **castebased discrimination**, a particularly sensitive concern in South Asia. We have received support to prioritise this issue and are keen to address it through **research**, **capacity building and advocacy**. At the same time, we have to be strategic and careful when talking about caste because of its **political sensitivity** in South Asia. However, caste discrimination is a prominent **risk for all companies seeking to operate responsibly in South Asia**, and we will discuss with international companies how to address it. Arisa's new research will provide more data on caste discrimination and **tools and guidance** for companies.

We **strengthened our partnerships** with organisations in South Asia. In addition to continuing long-standing partnerships, we established new ones. In Pakistan, we found new, experienced research partners to work with on labour rights issues in **garments and textiles** supply chains. We are also collaborating with new partners in our work on **apparel** and on **vegetable seeds** in India. Through regular, open and transparent communication, we aim to build a **partnership of equals,** based on dialogue and mutual respect. This is not always easy; in 2023, we were unable to maintain the relationship with one of our long-term partners.

Partnerships grow and strengthen, and **face-toface meetings** help boost motivation. An inspiring moment for the Arisa team was a large gathering of **community mobilisers** organised by the **Work: No Child's Business** programme in India. In Jaipur, Rajasthan, a group of over 200 mobilisers working to eradicate child labour in their communities came together to learn and share experiences. Community mobilisers play a key role in **getting children out of work and into school.** It was great to hear all their stories and achievements.

Another inspiring visit was to Rajasthan with five **natural stone brands, the TruStone secretariat and the Dutch government.** Together with our partners in Rajasthan, we facilitated a dialogue between the importing companies and a group of **women cobblestone workers.** Based on this conversation and visits to several production sites, together we developed an action plan to improve these women's working conditions.

It is a challenge to maintain our **twin-track** strategy of acting as a critical watchdog and working with business in **multi-stakeholder projects.** Over the past year, however, we have successfully maintained both collaboration with European companies and the launch of new research in different sectors and countries to provide new data for critical dialogue. In the collaborative projects we can play a critical role and push for **improvements that benefit supply** chain workers. At the same time, it has become more difficult to name companies in our research reports, as this sometimes causes problems for the researchers, our partner organisations and workers involved in the research. To avoid potential repercussions, we discuss naming companies with all stakeholders and adjust our strategy as necessary.

To achieve greater impact, in 2023 we strengthened our strategy on **consultation requests from companies and intermediary**



organisations. We believe that companies should not outsource stakeholder engagement to third parties, and we expect company representatives to be part of the conversation. An aspect of this strategy is to ask for more information on sourcing areas, in particular suppliers' names and locations, so that we can provide relevant information and draw on our insight into specific locations and suppliers. This strategy has led to more meaningful conversations with the companies involved.

Meaningful stakeholder dialogue is an important subject for Arisa. We have continued to participate in the Netherlands Social and Economic Council's (SER) project Meaningful Dialogue in International Supply Chains. This aims to support companies in implementing meaningful dialogue with trade unions, civil society organisations and other stakeholders affected by their business activities. We hope to continue working with the SER on this issue in the coming years.

The process around **due diligence legislation**, both in the Netherlands and in the EU, was another important development for Arisa in 2023. Together with other civil society organisations, we supported the submission of a legislative proposal to the Dutch parliament. At the same time, we campaigned for the European Corporate Sustainability Due Diligence Directive (CSDDD) and provided joint input through the MVO Platform on its content and scope. Also at European level, in the framework of the WNCB programme, Arisa discussed the regulation to ban products made with forced labour and followed discussions on a new EU-India trade agreement. All these regulations will have an impact on Arisa's work, as they will set rules for companies' due diligence in their supply chains. Going forward, Arisa will continue to advocate for strong legislation and its implementation.

While legislative proposals on due diligence are encouraging, **millions of workers are still exploited in global supply chains.** All our work aims to achieve the most important outcome of all: **greater safety, dignity and justice, and better working conditions, for workers** in vulnerable situations in South Asia.

Sandra Claassen

Arisa Director

About Arisa

Arisa – Advocating Rights in South Asia works to improve respect for human rights and labour rights in global supply chains. Working with civil society partners in India, Bangladesh and Pakistan, among other countries, we expose human rights and labour abuses in the production of garments, leather, natural stone and vegetable seeds, and we call on companies and governments to ensure that rights are respected. We prioritise the position of the people in the most vulnerable situations in global supply chains and work to eliminate child labour, forced labour and caste discrimination.

How does Arisa work?

Working with our partners in South Asia, Arisa investigates labour conditions and raises concerns with Western companies when labour abuses are found in their supply chains. Companies have an obligation to prevent and redress violations in their supply chains. If they demonstrate a serious commitment to doing so, we enter into dialogue and collaboration with them.

Arisa also calls on governments to take responsibility for human rights abuses in supply chains. Governments can improve working conditions and promote socially responsible business practices in global supply chains through policy, legislation, persuasion, monitoring and diplomacy.

Arisa works with Dutch, regional and international networks, among which are multi-stakeholder initiatives and civil society coalitions, to promote responsible business policies and practices, and labour-rights-protecting legislation. We argue that governments should set a positive example by implementing clear human rights requirements in their own procurement processes.

Arisa supports South Asian partners in improving the situation of workers in supply chains, for example through joint research and publications, communications, dialogue, training, and setting up and assisting with access to grievance mechanisms. Arisa promotes communication between companies, civil society organisations, government agencies and trade unions about abuses and risks in supply chains.

South Asia

Arisa works in South Asia, where many Western companies source their raw materials or outsource their manufacturing operations. The countries of South Asia, including India, Bangladesh and Pakistan, are densely populated countries with an abundance of cheap labour and deep-rooted caste-based discrimination and discrimination against other socially marginalised groups. Trade unions are few and trade union freedom is under pressure. All this, combined with weak government regulation and enforcement, makes labour rights violations widespread in South Asia.

The results

Arisa not only identifies abuses and malpractices but also seeks structural improvements in supply chains. We are committed to improving living and working conditions in South Asia. Outcomes include more children in school rather than at work, ending exploitation and improving wages, and reinstating dismissed union members.



Venkat Reddy, National Convenor at MV Foundation, on eradicating child labour and the role of community mobilisers

MV Foundation is a partner organisation in the Work: No Child's Business (WNCB) alliance. To work towards a social norm against all forms of child labour among all stakeholders – communities, governments and businesses - WNCB strategically combines an area-based approach with a supply chain approach. With an areabased approach, we target all forms of child labour in a specific area, tackle root causes and strengthen local child protection systems. Community mobilisers are at the heart of this area-based approach, working in communities to strengthen child protection systems, and promoting the norm that no child should work and every child should be in school.

Mobilisers work for children and for communities' future

"There are not many people committed to working for children, standing up for them and protecting them," Venkat Reddy says. "As we grow older, we generally become more closed off in our own world and less able to relate to 'the other'. It is the younger people in communities who are still most connected to children. After all, it is not so long since they were children themselves. That is why many community mobilisers – but not all of them – are young people."

"Children are very important; they are the future. So, mobilisers work for the future. Mobilisers have a lot of energy and passion to help children in their communities and to make their communities thrive. We channel this energy to achieve the best possible results in the communities."

The area-based approach to combat child labour

"It is essential that we and our mobilisers reach every household in the community for the area-based approach to work.

A child who is not in school is a child labourer, but also a potential learner.

And vice versa: a student is a potential dropout who may go into child labour. So, our work has to reach every family and every child in the community. To build trust and good relationships with parents, relatives, children and others in the community, we need to visit them again and again. It is essential that mobilisers are constantly in the process of building relationships and partnerships within the communities. Everyone must understand and agree that children should go to school. This message has to be carried out very consistently."

Getting children out of work and into school is not a linear process

"Our mobilisers are constantly involved in conflict. Their work goes hand in hand with successes, failures and disappointments. These are all part of the learning process for our organisation and our people.

> Our mobilisers have the ability to change social norms in communities and the lives of many people within them.

They can really work magic in communities. This requires our donor organisations and ourselves to have full confidence in the area-based approach and in them."

"For example, in the communities where we work, there are a lot of families in which not a single person has ever been to school. Many of these people are Dalits – the lowest caste. Children from Dalit families often lack role models in their families to show them what getting an education can mean for their lives and their communities. Likewise, parents, grandparents and others in these communities have few if any examples of the value of education for children. This makes it harder for mobilisers to convince families and the wider community that children should go to school and not work. If a child from such a household eventually goes to school, they are often the first child in that whole family to go. This means they are a first-generation student. That is a big deal!"

"Getting a child to go to school as a firstgeneration learner is a huge achievement. But, as mentioned, this process is not without failures and disappointments along the way.

Bringing about such big changes in communities, real changes in community social norms, is a difficult and non-linear process.

Mobilisers face resistance, opposition and disappointment along the way, but they never give up."

How mobilisers navigate change

"Community mobilisers must constantly negotiate with people and other stakeholders in the community. Mobilisers are conflict resolution practitioners. They negotiate with schools, community leaders, caste leaders and many others. They have different strategies depending on the context, which constantly changes depending on the situation in the community. For example, mobilisers adapt their timing to suit the times when people in the community are available to talk."



Conversations and visits usually take place outside normal work hours. Mobilisers also take other factors into account to ensure fruitful discussions and negotiations.

"A mobiliser recently told me: 'I am not going to visit person X today.' And why was that? Because that individual's tractor had broken down that day. So, the person was not in a good mood then. A community mobiliser knows that, for negotiations to be successful, it helps if the person you want to win over is clear-headed and not frustrated from the outset. The mobiliser therefore decided to wait and try to talk to the person on another day."

Activities & achievements

Natural stone

Garments & textile





11 ANNUAL REPORT 2023 ARISA

Natural stone







Natural stone

Case example: The TruStone Initiative

Arisa is an active participant in the TruStone Initiative, which was launched in October 2019. The <u>TruStone Initiative</u> brings together Dutch and Flemish organisations, companies, trade unions, NGOs and authorities to improve social and environmental conditions in natural stone extraction and processing.

One of Arisa's roles in the initiative is to share information with the Dutch and Flemish companies on labour and human rights risks in the production of natural stone in India and other key producing countries. In 2023, we facilitated contacts between participating stakeholders and Indian civil society organisations, critically monitored the progress of the initiative and actively participated in a number of working groups and collective improvement projects.

One of these collective projects seeks to improve conditions for workers in the sandstone supply chain in Rajasthan. Throughout the year, Flemish sandstone importers, Indian sandstone suppliers, Arisa, the Rajasthan-based NGOs <u>Manjari</u> and <u>ARAVALI</u> held online dialogues, facilitated by the TruStone Initiative, to discuss challenges in the sector. Our focus is on improving the employment and living conditions of stone workers, as well as finding ways to work together for improvements.

The online dialogue led to an in-person visit by TruStone participants to Rajasthan in October 2023 for further stakeholder dialogue, which Arisa co-organised. Together with our partners Manjari and ARAVALI, we ensured that the visit programme included the situation of cobblestone workers. This was important because their situation is largely invisible to international cobble buyers. Cobbles are produced in cobble yards and increasingly in home units, out of sight of international importers. The income levels of cobblers are low; they are not protected by social security; and there is a risk of underage labour.

In Rajasthan, the dialogue participants – suppliers, importers, civil society organisations, TruStone representatives and a representative of the Dutch government – visited a sandstone quarry and cobble yards, engaged in dialogue with cobble workers, and learned about the work of local civil society organisations.

Importers spoke at length with cobble workers and heard about the challenges they face. While India, like the rest of the world, has faced rapid inflation, the price workers receive for finished cobbles has not increased in a decade. Participants gained important insights into the vulnerability of cobblestone workers and agreed that more attention should be paid to improving conditions for these supply chain workers. The participating companies agreed on the need to gain a better insight into the price structure of cobblestones and that cobble workers must receive fair pay.

Diewertje Heyl, Programme Officer for Business and Human Rights at Arisa, comments: "To improve the conditions and wages of cobble workers in the supply chain, the first necessary step is to map the supply chain of sandstone cobbles to the level of home workers and determine how the prices of cobbles are set. Arisa recommends that importers and exporters collectively conduct this mapping exercise, as there is a high chance of overlap in sub-suppliers."

As a result of this visit, participants agreed to focus collective action on cobble making.

More on our work in the natural stone supply chains in 2023

Andhra Pradesh: taking children out of work and into school and advocating for migrant workers

In Andhra Pradesh, we are working with kitchen top manufacturer <u>Arte</u> and MV Foundation to get children out of work and into school. With a local team and the Indian organisation <u>Paradigm Shift</u>, we are also taking steps to understand the situation of migrant workers in the area and to promote improved pay and working conditions in granite factories and quarries.

Rajasthan: working to eliminate child labour from sandstone quarries

Following a thorough risk assessment and fruitful discussions between the Belgian company <u>Stone</u>, Arisa and the Indian organisation ASK, a major sandstone producer based in Rajasthan has introduced a child labour redress and grievance policy. The quarry and processing factory will implement further improvements next year.

Rajasthan: training for sandstone suppliers to strengthen multistakeholder dialogue

As part of the multi-stakeholder dialogue held in October 2023 in Rajasthan, Arisa organised a series of training sessions for sandstone suppliers. Topics covered included the international framework on business and human rights, responsible purchasing practices and social dialogue.

Flanders, Belgium: research on cities' and municipalities' natural stone purchasing practices

Arisa, together with trade union and civil society partners in the TruStone Initiative, commissioned the <u>HIVA research institute</u> to investigate the extent to which Flemish cities and municipalities take responsible business conduct issues into account when procuring natural stone. Our study found that, despite the efforts of TruStone and others, there has been little change in purchasing behaviour. The results were published in a major Belgian newspaper and discussed in the Belgian parliament. In December 2023, TruStone published a <u>practical guide</u> on how to integrate responsible business conduct into public procurement, written by HIVA.

Analysis of the TruStone member companies' action plans: more work needed

Arisa, <u>ActionAid</u>, the Belgian trade union <u>ACVBIE</u>, the Dutch trade union federations <u>CNV</u> and <u>FNV</u>, and <u>WSM (We Social Movements, Belgium)</u> have published an <u>analysis</u> of the due diligence action plans of TruStone member companies. Our analysis shows that companies are making progress in implementing responsible business conduct policies, mapping their supply chains and gaining insight into supply chain risks. However, companies need to do more to ensure workers in the supply chain earn a living wage and can exercise their right to organise and bargain collectively.

Garments and textiles









Garments & textiles Case example: The Factory Support Programme

The Factory Support Programme resumed in 2023 with Paradigm Shift as implementing partner in Tamil Nadu and the National Capital Region, India. In addition, Cividep India carried out a pilot project in Bangalore. The programme aims to improve working conditions in the garment supply chains of participating companies by facilitating dialogue between workers and factory management and strengthening factory-level grievance mechanisms.

Worker-management committees in India

India's 1947 Industrial Disputes Act provides for the establishment of a Works Committee for any factory with 100 or more workers and a grievance redressal committee for factories with 20 or more workers. These committees can take up grievances and other issues related to laws and policies applicable to the company.

The 2013 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act provides for the establishment of Internal Complaints Committees (ICCs) in factories with 10 or more workers. ICCs prevent and redress gender-based violence and sexual harassment on the work floor.

Paradigm Shift's training approach

In each factory, the training process begins with an informal assessment of the status and functioning of the Works Committee and the Internal Complaints Committee. Dialogue sessions take place with senior and middle management to establish common ground, understand challenges faced and agree on next steps. Workers' rights awareness sessions are then organised for all workers, followed by works committee elections and capacity building for committee members. Read more about Paradigm Shift's training approach on page 27.

Cividep India's workshop approach

The pilot project in Bangalore has focused on creating conditions for open communication between factory management and workers. To ensure this, Cividep India facilitated a series of separate and collective dialogue workshops involving management and workers. These sessions provided an opportunity to openly share challenges. In the next phase of collective facilitated dialogue, management and workers exchanged concerns and searched for common ground. Finally, review meetings were held involving factory management and the respective brands

Programme outcomes in 2023

In 2023, Paradigm Shift implemented the training programme in 15 production units of 12 garment suppliers in Tamil Nadu and the National Capital Region (NCR). Cividep launched the pilot project in Bangalore with two brands and two suppliers. In factories where elections had taken place and committees had been set up and trained and/or dialogue sessions between management and workers had taken place, workers began to share their grievances with committee members and factory management.

Grievances workers raised included discrimination in the allocation of work (particularly relevant in the case of piece-rate work) and issues relating to sanitation and health facilities, crèche facilities, verbal and sexual harassment, transport to and from factories, working hours, wages and access to social security schemes.

In six factories, Works Committees drew up action plans to address grievances raised and management took action to address the issues. The training programme has also resulted in a better understanding of the composition of the workforce, including the number of local, migrant, contract and piece-rate workers and the risks associated with these worker groups.

Next steps

The Factory Support Programme's training activities will continue in 2024, with exchange and training meetings planned involving committee members from different factories. Handling and redressing grievances can be complex. There is a need to strengthen committee members' knowledge of labour laws and their skills in documenting, investigating and redressing grievances.

<u>More on our work</u> in the garments & textiles supply chains in 2023

Clean Clothes Campaign urgent appeal system

In 2023, we continued our participation in the <u>Clean Clothes Campaign</u> case coordinator group. As part of this group, we worked on a set of complaints by the Garment Labour Union in India about a production facility owned by Shahi Exports. The <u>Fair Labor Association</u> and its member brand Nike, which sources from the factory, commissioned an independent investigation into the complaint.

The investigation report, published in June 2023, confirmed most of the workers' complaints, including regarding verbal and sexual harassment and abuse and violations of freedom of association. The case coordinator group will continue to monitor implementation of the report's recommendations in 2024. These include the recommendation to implement Shahi's policy on freedom of association and collective bargaining.

Netherlands Social and Economic Council meaningful dialogue project

Arisa has continued to be involved in the Netherlands Social and Economic Council (SER) project <u>Meaningful Dialogue in International</u> <u>Supply Chains</u>. This year, we contributed to two case studies and participated in advisory board meetings, covering work in both the garments and textiles sector and the natural stone sector.

Arisa also contributed to the SER's guidance document <u>Concept: Meaningful Dialogue</u>. This document advises companies that, for the first time or otherwise, enter into dialogue with their stakeholders. It includes an overview of considerations, core values, preconditions and suggested actions companies can apply in their specific context.

We engaged with the SER on the following issues: the difference between dialogue and engagement in the OECD <u>Guidelines for</u> <u>Multinational Enterprises on Responsible</u> <u>Business Conduct</u>; revisions to the OECD Guidelines and stronger guidance on meaningful engagement with stakeholders, including rights holders, trade unions and civil society organisations representing rights holders in the dialogue; and the shrinking civic space in South Asia.

Stakeholder meeting on the garment industry in the National Capital Region, India

In June 2023, Arisa organised a stakeholder meeting on the garment industry in the National Capital Region (NCR) of India as part of the Work: No Child's Business (WNCB) programme. Compared to other major garment hubs in India, the NCR hub is less well known internationally. To increase social risk awareness among international brands sourcing garments from the NCR, several organisations used the meeting to share information about the structure of the NCR's garment industry. There was a particular focus on the situation of garment factory workers and the common practice of outsourcing to homeworkers. There was discussion of the difficult situation of homeworkers, including their very low wages and the informality of the work, which leaves homeworkers without bargaining power.

Recent research has shown that child labour is still prevalent in the garment industry in Delhi, especially where children work alongside their homeworker parents. Through improvements to the situation of these homeworkers, there is a better chance of their children not having to take part in the work and being able to go to school instead.

The stakeholder meeting was marked by open, lively and interactive discussion. Arisa has shared a short meeting report with the participants. More webinars are planned for 2024.

• Supply chain mapping with a focus on homeworkers and child labour

Also as part of the WNCB programme, Arisa commissioned a supply chain mapping exercise to link homeworkers including child labourers performing outsourced work for garment export factories with the export factories they work for. This proved challenging due to the number of intermediaries and contractors involved in outsourcing from factories to homeworkers. However, some links were found and certain export factories were identified. With the use of export–import databases and public supply chain data, the research identified international buyers who source from the factories.

Because outsourcing to homeworkers is widespread in the NCR garment industry, we can conclude that homeworkers are very likely to be part of the supply chain of any international brand sourcing garments and/or textiles from this part of India. Arisa approached several international buyers with a request for dialogue on the practice of outsourcing to homeworkers and how homeworkers can be included in supply chains in a decent way. Conversations will continue in 2024.







Leather





Leather Case example: Together for Decent Leather

After three years of hard work and fruitful collaboration, the <u>Together for Decent Leather</u> programme came to an end in March 2023. The programme, which started in the midst of the Covid-19 pandemic, faced various challenges such as lockdowns that restricted on-site activities, a changing industry due to shop closures and order cancellations, and leather workers who were without income and in need of emergency relief. This led to adjustments to the programme's planned activities. However, despite having to take a slightly different route, all programme partners were highly committed to improve the situation of leather workers in South Asia.

Partners in South Asia assisted leather workers with emergency relief, specific grievances, training on workers' rights and working with the in-country industry to establish a dialogue on working conditions. They also undertook three studies, which the programme published, on working conditions affecting leather workers in Bangladesh, India and Pakistan.

The European-based consortium members, including Arisa, carried out supply chain mapping and desk research to better understand the leather industry in the three South Asian countries and to establish links between the project areas and international stakeholders. We also engaged in advocacy and lobbying with international companies, governments and sector initiatives. Together for Decent Leather has produced a number of <u>publications</u> including field study reports, brand label checks, industry trend papers and a paper on public procurement in the Netherlands.

Arisa published three of these papers. <u>Trends in</u> production and trade: Leather products from India provides an overview of trends, including in terms of shipment destinations and European companies involved. <u>Leather and leather shoes from India:</u> <u>Labour abuses in supply chains uncovered</u> summarises research undertaken by the Indian partner with a focus on the leather cluster in Tamil Nadu, how the cluster relates to the Indian leather industry overall and to export markets, and links with international companies that therefore face potential supply chain risks. And the report <u>Hides</u> <u>& hardship: Caste-based discrimination in the</u> <u>leather industry in India, Bangladesh and Pakistan</u> shows that caste and related discriminatory practices, at times specifically interlinking with religion, are high risk factors for businesses that source leather or leather products from the three countries concerned. It explains how caste- and religious-based discrimination presents and connects to the leather industry in these countries.

The diverse experience and expertise of the seven consortium organisations was complementary. By drawing on each other's knowledge, we could take many activities to a higher level. All partners were present at the OECD Forum on Due Diligence in the Garment and Footwear Sector in Paris in February 2023, hosting a side session and speaking to many relevant actors, such as brands, multi-stakeholder initiatives, due diligence and human rights initiatives, government officials and NGOs. Together for Decent Leather raised the profile of the situation of leather workers in South Asia at an international level. Given that the sector still lags behind in recognising and proactively addressing social risks in the industry, this was a much-needed effort.

As a follow-up, Arisa has continued conversations with companies and developed plans for further dissemination of the field study findings. We are liaising with several industry-related initiatives and will continue to seek new funds for projects in the leather sector so that we can continue this important work in a structured way.

More on our work in the leather supply chains

Conversations with brands

Following the Together for Decent Leather field study in India and its findings, Arisa contacted companies with a link to the study area. In conversations with the companies, we explained the field study in more detail, problems leather workers face and how to address them. One company invited us to visit its footwear supplier factory. Two partner organisations in the Together for Decent Leather consortium visited the factory and met the management and some of the workers. As a result, we made recommendations to the company and discussed ways it could identify and address risks in its leather supply chain.

Conversations like these raise companies' awareness of human rights risks in their supply chains and increase the relevance and urgency of action to address them. Considerable work is still needed in the leather industry with regard to human rights due diligence.

Side session at OECD Forum on Due Diligence in the Garment and Footwear Sector

On behalf of the Together for Decent Leather consortium, Arisa organised a side event at the OECD Forum on Due Diligence in the Garment and Footwear Sector in February. During the session, consortium members from Bangladesh and Pakistan spoke about the issues facing leather workers in their countries. Dutch apparel brand Goosecraft shared how it identifies and addresses issues in its leather supply chains, including the challenges involved. The Social and Economic Council in the Netherlands spoke about the importance of meaningful stakeholder dialogue and its activities on this topic. Altogether, the session helped bring to participating international stakeholders' attention the plight of leather workers and ideas on what different actors can do to improve their situation.





22 ANNUAL REPORT 2023 ARISA

Vegetable seed production:

The WISH project

After producing several reports on child labour and non-payment of minimum wages in the vegetable seed sector, and discussing this with international vegetable seed companies, Arisa joined forces in a multi-stakeholder collaboration with companies BASF and Syngenta in 2021. The <u>WISH (Wage Improvements in Seed Hybrids)</u> project aims to work with other supply chain actors to create sustainable change in addressing child labour through wage improvement. Project activities will take place in 28 villages across the Indian states of Maharashtra and Karnataka where BASF and Syngenta operate from the beginning of 2024 until the end of 2025.

To initiate the project, Glocal Research and MV Foundation carried out an independent baseline assessment of child labour and minimum wage compliance in the sector. The <u>baseline</u> <u>assessment</u> report shows that child labour is still prevalent in the communities where WISH will be implemented and links directly to minimum wage compliance. Identified root causes of child labour included households' socioeconomic background, low market wages and the demand for child labour for specific activities such as crosspollination.

In recent years, child labour in the sector has reduced, including because of the efforts of the vegetable seed industry. But the baseline assessment shows that it still needs to be addressed proactively. The assessment highlighted the large gap between minimum wage and market wage, especially in Karnataka. Other causes of child labour in the sector include lack of awareness about wage issues, lack of organisation among labourers, companies' production cost calculations that omit minimum wages and lack of government enforcement.

In 2023, project members developed an implementation plan for the project's second phase, when the focus will be on improving wages and thereby addressing child labour. The plan has the following objectives:

- To improve awareness about the legal minimum wage among farmers, labourers and other actors in the seed supply chain.
- To improve stakeholder engagement and collective advocacy in the seed sector, striving for sustainable legal minimum wage payment.
- To improve participating vegetable seed companies' policy and practice to ensure minimum wage compliance, such as through improved production cost calculation.
- To involve other seed companies and seek their commitment to address low wages and child labour in their supply chains.

To achieve these objectives, the WISH project started in 2023 to collaborate with Indian NGOs. These civil society organisations have a track record in the communities and understand the context. Arisa has a leading role in this collaboration and is working closely with the new partners in further developing a detailed implementation plan for each state, to be carried out in 2024. In 2024, we plan a visit to the intervention areas in both Maharashtra and Karnataka, as well as a meeting with multinational and Indian vegetable seed companies to inform them about the planned activities and seek their involvement and commitment. Arisa will take responsibility for monitoring progress towards the project's objectives.



A SPOTLIGHT ON

Our work on caste-based discrimination

The caste system in South Asia divides people by birth into unequal and hierarchical social groups. Mobility between groups is generally impossible. Caste permeates all aspects of life, determining where people live, whom they can marry and what job opportunities are available to them.

Those at the bottom of the caste hierarchy have limited employment opportunities and are assigned the dirtiest and most hazardous jobs. They have limited access to land, water and education, and are usually unrepresented in decision-making positions.

Caste-based discrimination affects millions of people in South Asia and some other regions, driving marginalised castes into forced labour and precarious working conditions. Despite their significant challenge to the fulfilment of human rights, caste-related issues often go unnoticed in corporate due diligence processes.

Together with our partners and allies, we at Arisa are working to ensure that companies operating in South Asia are aware of the risk of caste-based discrimination. Companies should integrate the issue into their due diligence policies and practices, and ensure that people affected by caste-based discrimination have access to remedy.

As an active member of corporate accountability networks, we stress the importance of explicit attention to vulnerable and marginalised groups, including people affected by caste-based discrimination, in responsible business conduct legislation. We also advocate for specific due diligence guidance to address caste-based discrimination at the OECD or UN level.

A snapshot of our activities in 2023

Research

- In early 2023, we published a research report on caste-based discrimination in the leather industry in India, Bangladesh and Pakistan: <u>Hides & hardship</u>. The report explains how caste- and religion-based discrimination manifests in these countries and links to numerous industries.
- We have been researching into castebased discrimination in other economic sectors and in a range of South Asian countries. The results will be available in 2024.

Dialogue with companies

In our dialogue with European companies sourcing from South Asia, we highlight the risk of caste-based discrimination in supply chains. We offer suggestions on how to identify and address caste-based discrimination and, where relevant, facilitate contact between companies and Dalit rights organisations.

Working with partners

- Arisa attended the International Dalit Solidarity Network (IDSN) <u>General</u> <u>Assembly</u> in November 2023. During this event, the IDSN adopted a new strategy for 2024-2029, placing caste in relation to business and human rights at the centre of its work for the coming years. Arisa presented its work at the intersection of caste and responsible business conduct. The meeting was an excellent opportunity to share, strategise and discuss future plans.
- We have continued to put the issue of caste-based discrimination on the agenda of the networks where we are active. This has resulted in the inclusion of the issue in a number of advocacy documents from the <u>MVO</u> <u>Platform</u> and from <u>OECD Watch</u>.



Stories from South Asia: The Factory Support Programme

Harsha and Balaji of Paradigm Shift on the Factory Support Programme

This is an extract from a longer interview. <u>Click here</u> to read the full text.

What makes the Factory Support Programme different?

Balaji: "First, **brand support and engagement**. Unlike other programmes and projects, FSP has secured the support of brands. This partnership enables FSP to conduct training sessions directly within factories nominated by the brands. The alignment with brands provides leverage in engaging both workers and factory management."

"The second distinctive aspect is the **training sessions**. FSP conducts training sessions for workers on their rights and for factory managements on setting up mandatory committees. Brands' support ensures factory managements prioritise these sessions and are less likely to postpone or cancel them."

"The third key aspect is **committee establishment**. FSP works with factory managements to establish mandatory committees, which are crucial for addressing workers' grievances and ensuring compliance with labour standards. Brand involvement



Harsha is the Hindi-language trainer for the Factory Support Programme (FSP) in India. She trains the Hindi speaking (migrant) workers on their rights in factories where international brands source ready-made garments, as well as the factory managements and their human resources departments. Harsha organises awareness sessions and helps set up the mandatory committees in the factories.

Balaji is the training coordinator for FSP and has worked with the programme since its first phase in 2021. Within FSP, Balaji coordinates with factory managements, sourcing agents and brands, and organises and conducts training sessions in Tamil.

Harsha and Balaji introduce and set up internal complaints committees (ICCs) and works committees in factories. ICCs are mandatory factory committees for female workers to report cases of sexual harassment.

Works committees deal with issues that arise in the factory, redress workers' grievances and help maintain a harmonious relationship between management and workers.



adds weight to this process, encouraging factory managements to cooperate." "Another important characteristic of FSP is **worker empowerment**. By educating workers about their rights and facilitating the establishment of committees, FSP empowers workers to voice their grievances and concerns. This empowerment is crucial for creating a more transparent and fair working environment within factories.

Harsha: "In FSP, we train workers about their rights in their own language. Many workers don't know about their rights and have little or no knowledge about topics such as minimum wages and workplace harassment. We build bridges with the many migrant workers in these factories in Tamil Nadu and can involve them in setting up committees in the factories, because we speak their language, Hindi."

"The information that comes out of the committees and our conversations with workers is very different from the information that comes from audits, for example. Workers open up to us and share their grievances, including complaints about sexual harassment, not being paid the minimum wage, excessive overtime, night shifts and restrictions on the movement of those who live in dormitories. **We gain the workers' genuine trust, which helps expose the reality of working conditions in the factories**. Having the brands involved makes it possible for us to talk to the workers, and this makes the FSP different from other programmes." "I think a very important outcome is that women learn about their rights in the ICCs, which includes information about sexual harassment. Women generally don't see certain types of behaviour in the workplace as harassment because they think it's normal because of our culture.

Progress beyond the programme

Balaji - "With the conclusion of FSP [the programme is due to close in 2024], we are apprehensive about the sustainability of the changes implemented in certain factories. For a true sustainability project, a timeframe of at least 5 or 10 years is necessary to allow changes and improvements to take root and endure beyond the initiative's duration. Without such a timeframe, there is uncertainty regarding the continuation of progress made."

Harsha: "Sustainable change for the workers in the factories can be established when the brands continue to source from the same factories, and when the brands and sourcing agents push for effective committee meetings to become a standard procedure in the factories they source from. This is the commitment the brands and sourcing agents must make."



MOVING FORWARD





MOVING FORWARD



- Shrinking civic space
- Increasing fundraising efforts
- New project and activities
- Expanding to other South Asian countries

In 2024, we at Arisa will continue our work on the issue of shrinking civic space in South Asia through our membership of the <u>Broad Human</u> <u>Rights Consultation (BMO</u>). We have several meetings planned for 2024 with Dutch government officials, independent advisory bodies and the Dutch Parliament.

We will continue many of our current projects in 2024 and beyond. To review progress with partners and discuss further plans and strategies, we will undertake visits to India and Pakistan. Some partners will also visit the Netherlands. We will use this opportunity to organise meetings between them and Dutch companies and other stakeholders to address issues we work on. The Work: No Child's Business project ends in 2024, so we will also be seeking new funding sources.

An important development in 2024 will be the start of a cross-sectoral learning project, where we will link the results and lessons learned from different projects in different sectors. We will facilitate cross-sector learning between the garments and textiles and natural stone sectors, scale up successful business engagement activities to additional companies' supply chains, and explore new activities to achieve greater impact for workers and rights holders in India. This is an exciting opportunity to strengthen our work.

In 2024, Arisa will also step up the expansion of its activities into other South Asian countries. We will complete two research projects in Pakistan and develop follow-up activities. We are also exploring the possibility of conducting research on caste-based discrimination in Sri Lanka and plan to organise a meeting with civil society organisations in Nepal. We hope the exchange of knowledge and experience within and between the different South Asian countries will lead to further collaboration and impact.



Financial summary

In 2023 Arisa received funding for ten different projects and programmes, mostly in cooperation with other partners in the Netherland and in South Asia. The majority are multi-year projects, running over three to five years.

Arisa works towards a sustainable financial strategy. In 2023, around 85 % of the funding came from the Dutch government and the European Commission, 14 % comes from the private donor Brot für die Welt and 1 % comes from donations and other sources. Almost all income of the organisation is earmarked for specific project activities. In the coming years, Arisa aims to focus more on organisational funding next to project funding from different sources.

Statement of expenditure and income

The total income of Arisa in 2023 was \notin 763.257 whereas the total 2023 expenditure amounted to \notin 776.394. Consequently, there was a negative balance of \notin 13.137, mainly caused by increasing personnel costs that were not completely covered by the project budgets. The balance has been withdrawn from the organisational assets.

	Realisation 2023 €	Budget 2023 €
Government subsidies	638.455	548.232
European Commission	11.407	14.000
Private donor Brot für die Welt	100.633	87.500
Other private funds	3.555	50.000
Gifts and donations	5.568	6.000
Interest and investments	3.639	0
Other income	0	10.000
Total income	763.257	715.732
Personnel costs	561.934	566.499
Activity costs	142.504	80.000
Office expenses and general costs	71.956	69.000
Total expenditure	776.394	715.499
Withdrawal from organisations' assets	-13.137	233





