



**Habib Hussain**  
Chairman

**Sanjay Leekha**  
Vice-Chairman

# Council for Leather Exports

(Sponsored by Ministry of Commerce & Industry, Government of India)

Registered Office & Head Office:

CMDA Tower-II, 3<sup>rd</sup> Floor, Gandhi-Irwin Bridge Road, Egmore  
Chennai 600 008, India.

Phone : +91 44 2859 4367-71 (5 Lines)

Fax : +91 44 2859 4363-64 (2 Lines)

E-Mail : [cle@cleindia.com](mailto:cle@cleindia.com) Website : [www.leatherindia.org](http://www.leatherindia.org)

June 14, 2010

**Deputy Undersecretary Polaski**  
**U.S. Department of Labor (DOL)**  
**Office of Child Labor, Forced Labor and Human Trafficking**  
**Bureau of International Labor Affairs (ILAB)**  
**200 Constitution Avenue, NW**  
**Washington, D.C. 20210**

**Sub : Request for Information Regarding Business Practices to Reduce the Likelihood of Forced or Child Labor in the Production of Goods**

*Dear Deputy Undersecretary Polaski,*

I am writing to you on behalf of **Council for Leather Exports, India** in response to the Federal Register notice of April 15, 2010 (75 FR 19659) requesting information for use by DOL in fulfilling its mandate under the Trafficking Victims Protection Reauthorization Act of 2005 (TVPRA).

In this connection, I wish to submit the following for kind perusal and consideration of the US Department of Labor.

## **1 About the Council for Leather Exports, India**

The Council for Leather Exports (CLE), founded in 1984, is an autonomous organization functioning under the Ministry of Commerce and Industry, Government of India. The *primary objective for which the CLE was established is to support and promote the exports of Leather & Leather Products including non-leather footwear and their components.* The CLE has about 2330 members spread from all over India. The activities of CLE include disseminating information and creating awareness among its members on commercial, technical and technological developments in the leather industry in India and abroad, circulating details on trends in colour, fashion & design, export-import policy issues, market inputs, trade statistics etc., It is also the sector leader in promoting trade fairs within and outside India, as well as in organizing informational seminars and lectures, and promoting foreign direct investment, joint ventures and technical / strategic alliances with the leather and footwear sectors in India.

In short, the CLE acts as a bridge between the Government and the Industry and facilitates promotion of international trade in the leather sector.

## **2 The TVPRA List - inclusion of footwear and leather goods/accessories from India**

Under the TVPRA, DOL is required to maintain a list of countries and sectors for which it has ‘reason to believe [that products] are produced by child labor or forced labor in violation international standards’ (TVPRA list). The initial TVPRA list was issued on September 10, 2009. *The TVPRA list includes for India, footwear and leather goods/accessories under the child labor designation.*

### **3 Summary of submission and request**

The Government of India has made considerable efforts in terms of policy initiatives, and programme implementation, to address the issue of child labor. This also includes cooperation with the USDOL on the ground breaking INDUS project.

The Council for Leather Exports represents the Leather, Leather Products & Footwear exporting sectors which supply their products to leading brands and retail chains worldwide. The Council has been regularly educating and updating its member-companies, which are essentially from the organized exporting sector, on social compliance issues including child labor employment. It plans to further expand on this program and also institute a self-regulating mechanism on all compliance issues including child labor, for its member-companies towards prevention of the employment of child labor.

As detailed in our submission, dated April 9, 2010, to the DOL in response to the Federal Register notice of February 24, 2010, requesting information on the TVPRA list, a review of the bibliography and even of the INDUS documentation itself, which is the only evidence cited in the TVPRA Report to justify inclusion of these sectors in the present finding, **does not support, in any way**, the conclusion that the footwear and leather sectors have a significant incidence of child labor in India.

Our submission and request to the US Department of Labour therefore **is for the eventual exclusion of Indian footwear and leather & leather products from the future TVPRA designations as ‘Child Labour Sectors’**.

In support of this submission and request, we wish to reiterate the following programs undertaken by the Government of India and to point out the complementary activities pursued by the CLE, for reducing the likelihood of child labor in the production of goods:

### **4 Initiatives of the Government of India**

#### **4.1 Constitutional Provisions**

**Article 21 A of the Constitution of India provides “Right to Education”** by stating that *the State shall provide free and compulsory education to all children of the age of 6 to 14 years in such manner as the State, by law, may determine.*

**Article 24 of the Constitution of India Prohibits employment of children in factories, etc..** This article states that *“No child below the age fourteen years shall be employed in work in any factory or mine or engaged in any other hazardous employment”*

Thus, it is evident that there are adequate constitutional provisions for prevention of Child Labour in India.

#### **4.2 Government Policy and Programs vis-à-vis Child Labor**

Below are the details of the various initiatives taken by the Government of India towards the elimination of child labor:

- In 1979 First Committee on Child Labor issue was formed by the Government, called the *Gurupadswamy Committee* to study the issue of child labour and to suggest measures to tackle it.
- In 1986 the **Child Labour (Prohibition & Regulation) Act** was enacted based on the recommendations of *Gurupadaswamy Committee*. The Act prohibits employment of children in certain specified hazardous occupations and processes and regulates the working conditions in others. The list of hazardous occupations and processes is progressively being expanded on the recommendation of Child Labour Technical Advisory Committee constituted under the Act.
- In 1987 a **National Policy on Child Labour** was formulated. This Policy seeks to adopt a gradual & sequential approach with a focus on rehabilitation of children working in hazardous occupations & processes in the first instance. The Action Plan outlined in the Policy for tackling this problem is as follows:
  - *Legislative Action Plan* for strict enforcement of **Child Labour Act** and other labour laws to ensure that children are not employed in hazardous employments, and that the working conditions of children working in non-hazardous areas are regulated in accordance with the provisions of the Child Labour Act. It also entails further identification of additional occupations and processes, which are detrimental to the health and safety of the children.
  - *Focusing of General Developmental Programmes for Benefiting Child Labour* - As poverty is the root cause of child labour, the action plan emphasizes the need to cover these children and their families also under various poverty alleviation and employment generation schemes of the Government.
  - *Project Based Plan of Action* which envisages starting of projects in areas of high concentration of child labour.
- **In 1988, the National Child Labour Project (NCLP) Scheme** was launched in 9 districts of high child labour endemicity in the country. The Scheme envisages running of special schools for child labour withdrawn from work. In the special schools, the children are provided
  - formal/non-formal education along with vocational training,
  - a stipend of Rs.100 per month,
  - supplementary nutrition and
  - regular health check ups so as to prepare them to join regular mainstream schools.

Under the NCLP Scheme, funds are given to the District Collectors for running special schools for child labour. Most of these schools are run by the NGOs in the district.

**The Government of India has accordingly been taking proactive steps to tackle this problem through strict enforcement of legislative provisions along with simultaneous rehabilitative measures.** *State Governments, which are the appropriate implementing authorities, have been conducting regular inspections and raids to detect cases of violations.* Government has been laying a lot of emphasis on the rehabilitation of children and on improving the economic conditions of their families.

**There has been a progressive increase in the coverage of the National Child Labour Project Scheme from 12 districts in 1988 to 100 districts in the 9<sup>th</sup> Plan (1997-98 to 2001-02) to 250 districts during the 10<sup>th</sup> Plan. (2002-03 to 2006-07)**

**2001-Evaluation of the Scheme & future Strategy under the 10<sup>th</sup> Plan** - An evaluation of the Scheme was carried out by independent agencies in coordination with V.V. Giri National Labour Institute in 2001. Based on the recommendations of the evaluation and experience of implementing the scheme since 1988, the strategy for

implementing the scheme during the 10<sup>th</sup> Plan was devised. It aimed at greater convergence with the other developmental schemes and bringing qualitative changes in the Scheme. Some of the **salient points of the 10<sup>th</sup> Plan Strategy** are as follows:

- Focused and reinforced action to eliminate child labour in the hazardous occupations by the end of the Plan period
- Expansion of National Child Labor Projects to additional 150 districts.
- Linking the child labour elimination efforts with the Scheme of *Sarva Shiksha Abhiyan* (Education for All) of the Ministry of Human Resource Development to ensure that children in the age group of 5-8 years get directly admitted to regular schools and that the older working children are mainstreamed to the formal education system through special schools functioning under the NCLP Scheme.
- Convergence with other Schemes of the Departments of Education, Rural Development, Health and Women and Child Development for the ultimate attainment of the objective in a time bound manner.

The Government and the Ministry of Labour & Employment in particular, are serious in their efforts to fight and succeed in this direction. The number of districts covered under the NCLP Scheme has been increased from 100 to 250, as mentioned above. In addition, 21 districts have been covered under INDUS, a similar Scheme for rehabilitation of child labour in cooperation with US Department of Labor. For Districts not covered under these two Schemes, Government is also providing funds directly to the NGOs under the Ministry's **Grants-in-aid Scheme** for running Special Schools for rehabilitation of child labour, thereby providing for a greater role and cooperation of the civil society in combating this menace.

The implementation of NCLP and INDUS Schemes is closely monitored through periodical reports, frequent visits and meetings with the District and State Government officials.

**Grant-in-aid Scheme for Voluntary Organizations :** The Government of India is also providing grants-in-aid directly to Non-Governmental Organizations (NGOs) for elimination of Child Labour in districts not covered by NCLP scheme. Under this Scheme, various agencies are given financial assistance by the Ministry of Labour on the recommendation of the State Government to the extent of 75% of the project cost for the rehabilitation of working children.

The Government of India has implemented the **Right of Children to Free and Compulsory Education Act, 2009 with effect from 1<sup>st</sup> April 2010.** This Act is a landmark Act , as it paves the way for free and compulsory education to all Children from the age of six to fourteen years.

#### **4.3 Summary of the Initiatives of the Government of India**

- There are adequate Constitutional Provisions and Legislative Acts, Rules, Regulations and Programmes for prevention and abolition of Child Labour.
- **Elimination of child labor is the single largest programme in the activities of Ministry of Labor & Employment, Government of India.**
- The Government of India has been enhancing the funding for Child Labour Abolition and Child Welfare Schemes every year. The Government allocated **Rs. 602 Crores** for the Scheme during the 10<sup>th</sup> Plan, as against an expenditure of **Rs. 178 Crores** in the 9<sup>th</sup> Plan.
- **The Resources set aside for combating the Evil of Child Labor in the Ministry of Labor & Employment, Government of India is around 50 per cent of its Total Annual Budget.**
- **The Government of India has implemented the provisions of the landmark Right of Children to Free and Compulsory Education Act, 2009 with effect from 1<sup>st</sup> April 2010, which will play a significant role in ensuring education to all Children in the country.**

## 5 CLE and its Commitment to Prevention of Child Labor

The Council for Leather Exports (CLE) represents the Leather, Leather Products & Footwear exporting sectors that supply their products to leading brands and retail chains worldwide. Many Indian leather products and footwear companies have technical collaborations with overseas companies to manufacture products as per the highest international standards and requirements.

CLE coordinates and works with all Indian leather, leather products & footwear associations from the private sector on all issues including social responsibility. The list of associations includes the Indian Shoe Federation (ISF), which represents Southern India's shoe industry concerns ; the Agra Footwear Manufacturers and Exporters Chamber (AFMEC) which comprises members from the Agra Footwear cluster; the Uttar Pradesh Leather Industries Association (UPLIA) representing the Kanpur leather & footwear cluster; the Punjab Leather Federation (PLF) representing the Jalandhar leather cluster; the Indian Leather Products Association (ILPA) an association of the leather accessories & leather garment manufacturer-exporters; and the Indian Footwear Components Manufacturers Association (IFCOMA), the Indian Finished Leather Manufacturers & Exporters Association (IFLMEA) and also other regional trade Associations.

The Indian Leather Industry is totally committed to prevent Child Labor in any form in its entire supply chain. The Leather Industry in India totally adheres to the various constitutional and legislative provisions of the country and is not employing Child Labour or Forced Labour in its factories. **The Indian Leather Industry is one of the largest employers of people in the rural regions belonging to the socially and economically weaker sections of Indian society.**

The Indian footwear and leather products & accessories export industries, which comprise the members of CLE, are acknowledged players in the global marketplace and provide their products to leading retailers, large corporate chains and reputed brands worldwide. **Customers of the Indian Leather Industry consistently demand implementation of rigorous social compliance standards, which is backed by on-site independent auditing by their own in-house personnel or by international consultants of very high repute. Thus, the standards set by the buyers and the commitment of the Indian Leather Industry to social compliance have played a significant role in prevention of Child Labour or Forced Labour in the Leather & Footwear Industry in India.**

Thus, CLE and its members are committed to combating child labor in the leather and footwear export sectors in India and CLE is continuing to work towards educating and activating its members on the issue. In line with this commitment, CLE has been taking various pro-active measures to enhance awareness on Social Compliance & Social Accountability norms, which include the following.

- CLE organized seminars on the SA 8000 standards in the leading leather clusters of India namely Chennai, Kanpur and Mumbai in 2008, in partnership with Bureau Veritas and its Technical, Manager-Europe, Middle East & Africa, Justin Berry. Hundreds of CLE members received BV certifications from these programmes. In order to give wide publicity, full reports on the seminars were carried in CLE's monthly magazine, LEATHERS, which is circulated to all 2,250 member companies throughout India.
- CLE utilized a special text book for the seminars, perhaps the first of its kind in India, entitled '*A Comprehensive Road Map to Social Accountability*' prepared by Mr SS Mishra, a SA 8000 certified auditor.
- Besides, CLE also organized seminars according to regional requirements, as part of the social awareness program. For example, in Kolkata, CLE partnered with Bureau Veritas and its India training manager, on Social Awareness and Social Accountability Audit program for its members in April 2007. A follow-up of the activity on SA 8000 was done in May 2008, partnering with SGS.

- During the Delhi International Leather Fair in October 2009, CLE sponsored a seminar on WRAP for its members to heighten awareness on social responsibility.
- At the 2010 India International Leather Fair (IILF) this past January, CLE sponsored an in depth seminar on health and safety in shoe factories by the Henkle company, one of the leaders in global supply of safe shoe making chemicals. A Seminar on WRAP was also scheduled during the IILF Jan' 2010 at Chennai.
- In April 2010, CLE sponsored a seminar on social responsibility for its members in southern India, partnering with Intertek to raise awareness of international standards including the critical importance of excluding any child labor from factories and all outsourcing.
- Also in 2010, the CLE has organized Awareness/Educational Seminars in Delhi (May31), in Mumbai (June 4) by SGS India Ltd, in Agra (June 5) by SGS India and similar seminars are being planned in Kanpur and Kolkata also.

- **To cement its commitment to continuing education on child labor and social responsibility compliance, CLE has officially empanelled an internationally reputed agency M/s Intertek to regularly update, inform and guide its members on social compliance issues.**

- Also in conjunction with the DOL request on the TVPRA list and in order to get an update on the labor standards followed in the manufacturing facilities of the Indian Leather Sector, CLE recently undertook a survey of its members, particularly those engaged in trade with the U.S. **All respondents reported that they do not employ any child labor and use 18 years as the minimum age for employment, which clearly proves the fact that Child Labour is not engaged in any factories in Leather Sector. I am pleased to submit herewith the statements of leading members of CLE on their personal commitment to prevention of child labor, which may kindly be found at Annex -1 below.**

CLE is committed to initiate further steps to lead and educate its members on child labor prevention and is working on an ambitious series of new initiatives, for preventing child labor in the production of goods.

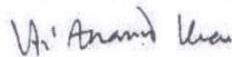
#### 6. Conclusion-

In short, I take the opportunity to submit the following for your kind perusal.

- 1) There are constitutional and legal provisions in India for safeguarding the interests of Children and for preventing all forms of Child Labour in the country.
- 2) The Government of India has been implementing a sustained and concerted programme in co-ordination with the State Government and NGOs towards protecting the rights of children and ensuring their welfare.
- 3) The Indian Leather Industry is strictly adhering to laws and regulations in India on Child Labour and is also committed to abiding by international Social Compliance norms. CLE, being the apex organization of the Leather Industry is also committed to intensify its campaign on preventing Child Labour.

The CLE appreciates the opportunity to submit its views to the DOL vis-à-vis its deliberations on the development of standards or 'best practices' for preventing child labor as part of its responsibility for maintaining the TVPRA list. We look forward to working with the DOL as it considers our views and to **the eventual exclusion of the Indian footwear and leather & leather products sectors from future TVPRA designations as child labor sectors.**

Respectfully submitted,



**Ali Ahmed Khan**  
**Executive Director**  
**Council for Leather Exports, India**

## Annex 1

### I. SELF CERTIFIED STATEMENT FROM M/S T.ABDUL WAHID & CO., CHENNAI

#### ***MAIN PRODUCT EXPORTED TO US IS FOOTWEAR***

We have, in the last 3 years had several Social Audits done by different renowned external agencies selected / appointed by our Overseas Buyers. These Auditors bring with them a long list and they meticulously go through each and every point to verify whether the Supplier complies with the same. These points include not only verifying strict compliance with Labour Laws applicable to the facility but also issues such as engagement of forced Labour / slave Labour, prisoners and Child Labour. In regard to Child Labour we have a central Legislation specifically called "Child Labour (Prohibition and Regulation) Act (Act for short) applicable throughout our Country and this has been in force since 1986.

The Legislation on the subject of prohibition of Child Labour in our Country is very rigid and contains severe penal action for violation. All the Auditors, who have audited our Factory in depth, have not found engagement of Child Labour in our Factory besides the other types of Labour mentioned above.

We do not possess any Social Audit Certification (SA 8000) as none of our Overseas Buyers have suggested the same. Similarly International Certification like WRAP is also not thought of as our Foreign Buyers have not either suggested or insisted upon the same till now. Our exports are done based on Social Audits done by the Buyer's chosen external Auditors.

The enforcing agencies of the Act have always been awake and vigilant to ensure strict compliance with the same. They have become extremely active to book the violators of this Act, following the judgment of the Indian Supreme Court in M.C. Mehta Vs State of Tamilnadu and others (vide 2003 III LLJ P 626). The highest court of our land has in categorical terms given directions to state enforcing Agencies to ruthlessly put down engagement of Child Labour in every form and in any Industry or commercial activity. This served as a wakeup call for several till then erring Industries to correct themselves and put their "Houses in order". This judgment highlighted several seminal issues touching upon constitutional mandate and the needs to obey the directions of the Act , to shun abhor and discontinue engagement of Child Labour.

Any person who is familiar with Leather goods and Footwear would know that the manufacturing process in these two Industries does not permit engagement of Child Labour in any form or activity. These two Industries require skilled and semi-skilled Labour and the scope for even engagement of Adult unskilled Labour is very limited.

For any investigating agency to reach a definite conclusion like Child Labour is engaged in any trade or Industry, the study should cover a vast number and cross section of units. It needs to be emphasized here that the very inherent nature of these two Industries viz Leather goods and Footwear do not make it worthwhile or profitable to engage Child Labour as noted above. We are not aware of the sample size of the study conducted / undertaken by US Department of Labour the period it covered, its geographical

sweep etc. to arrive at the conclusion that Child Labour is engaged in Leather goods and Footwear manufacture.

## **II. SELF CERTIFIED STATEMENT FROM M/S FARIDA GROUP, CHENNAI**

### **MAIN PRODUCT EXPORTED TO US ARE FULL SHOES, BOOTS AND SANDALS**

Customers have their own Code of Conduct Audit Team.

The Company does not employ child labour. Customer Audit Teams have confirmed this.

And on this basis, we are one of the approved suppliers.

Many similar footwear manufacturers have passed through the CoC audits. Some of the Audit Reports have been posted in US customers' websites as well as Audit Group e.g BSCI.

We can refer those sites and emphasize that Different Audit Teams have verified at different locations and certified that those units do not employ child labour

## **III. SELF CERTIFIED STATEMENT FROM M/S TEJ INTERNATIONAL PVT. LTD. AGRA**

### **MAIN PRODUCT EXPORTED TO US IS FOOTWEAR**

The company Tej International Pvt.Ltd has adopted (TIPL) based on ISO 9001:2000, ISO 14001:2004, SA 8000:2001 and total productive maintenance (tpm) which specifies the requirements for a quality management system, Environmental Management system, social accountability in order to :

- a. Demonstrate its ability to consistently provide products that meets customers and applicable regulatory requirements.
- b. Enhance customers' satisfaction, prevent pollution, and ensure safe working conditions and community development.

It is the policy of the company, not to employ child labour, whether directly or through contractors. The following procedure is followed to ensure that no child labour is employed:

- All employees directly employed by the company are required to produce proof of age (school Leaving Certificate or certificate authorized by government authorities) prior to appointment.
- If the age found below specified age the candidate is not appointed.
- In case of persons employed through contractors, a P&A officer interviews them and in case of any Doubt regarding age, the concerned person is asked to submit school leaving certificate .In the absence of school leaving certificate/any other proof of age, the person is referred to chief medical officer, Agra for age verification.

#### **IV. SELF CERTIFIED STATEMENT FROM M/S CREW BOS PRODUCTS LTD., HARYANA**

##### **MAIN PRODUCTS EXPORTED TO US ARE LEATHER BAG, BELT, WALLET, SLIPPER**

Crew B.O.S. has, over the years, grown from being a fashion bag and belt manufacturer to a manufacturer of multiple products in the fashion accessories segment. The company mainly exports products to US and Europe. Outsourcing holds tremendous potential for Crew B.O.S and imparts scalability to its business model. Every single customer account is one of the biggest, and most reputed globally in fashion and home decoration industry and offers immense potential for growth.

The company has managed to retain its position in the export industry, as it understands that compliance with international standards of quality, consistent investment in new technologies and techniques, delivery and pricing are the key for success in global outsourcing industry. Skilled labour force, modern machinery and quick adaptability to changing trends in fashion industry have enabled Crew B.O.S to establish its foothold in outsourcing market. Further, being an early entrant in fashion accessories business, its contacts with one of the most reputed retailers of fashion products globally has made its business model stretchable beyond all limits in the medium term.

The other distinct advantage, which the Company has, is the presence of strong tie-ups with the suppliers and vendors for supply of raw materials and consumables both locally and abroad. This is being further strengthened by the setting up of a finishing leather unit in Manesar.

As a policy we prohibit employment of child workers below the age of 18 in our company.

Outsourcing has picked up rapidly in the recent past due to convergence of Purchasing Power Parity across continents resulting in de-construction of the production chain. Over a period of the next 5-10 years, the entire fashion accessory industry is expected to be dominated by countries endowed with cheap labor. According to the principle of International flow of goods, the original innovator or exporting country ultimately becomes the net importer of goods as production shifts to other lower cost destinations.

#### **V.SELF CERTIFIED STATEMENT FROM M/S GUPTA OVERSEAS (I) PVT. LTD., AGRA**

##### **MAIN PRODUCT EXPORTED TO US IS FOOTWEAR**



**GUPTA H.C. OVERSEAS (I) PVT. LTD.**  
ISO 9001 COMPANY

Regd. Off.: Bye Pass Road, AGRA - 282007 INDIA  
Tel.: +91-562-4017900, Fax: +91-562-2600300  
E-mail : info@guptaoverseas.com



Date : 20th March 2010

Mr. Ali Ahmed Khan  
The Executive Director council for Leather Exports,  
CDMA Tower – II, 3rd Floor, Gandhi Irwin Bridge Road,  
Egmore, Chennai – 600008.

Dear Sir,

**Re : Allegations of use of child labour in the Indian Leather & Footwear sector by the us Deptt. of labour.**

This has a reference to the text of letter no. CLE/P04 child labour/2010 dated 18<sup>th</sup> March 2010, forwarded to us by your Agra office.

In the connection we wish to state that we are the compliant of social and ethical standards in our facility, especially we are always ensuring that :-

- No child labour is employed and or permitted in our facility at any point of time.
- No force labour is used in our facility at any point of time.
- No discrimination is ever used about the sex, cast, colour and creed etc.
- No sexual harassment is ever noticed and or permitted in our facility.

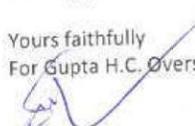
We are the company known as equal opportunity employer, We are known company with human face, having hazardous risk free environment and always endeavour to abide by the social and ethical compliance issues as per Customer code of conduct on child free labour.

We are confident to assure you that we have no issue or the **MINIMUM AGE** for employment in our production units. Ours is a full fledge production unit and presently no subcontracting and outsourcing is done.

You may accordingly summarize and include **this statement** in your submissions to the US.DOL

Thaking you

Yours faithfully  
For Gupta H.C. Overseas (I) Pvt. Ltd.

  
Gopal Gupta  
(Director)

**VI.SELF CERTIFIED STATEMENT FROM M/S KH LEATHER INDUSTRIES PVT. LTD., CHENNAI**

**MAIN PRODUCTS EXPORTED TO US ARE LEATHER SHOES, LEATHER BAGS, WALLETS, GARMENTS, ACCESSOIRES, FASHION LEATHER GLOVES.**



## K.H.LEATHER INDUSTRIES PRIVATE LIMITED

No.18, Krishnagiri Bye- Pass Road, Ranipet - 632 401

Ph : 04172 - 270945 / 46, Fax : 04172 - 272574 / 270285 E-mail : fullshoe@ahindia.com



2<sup>nd</sup> April 2010.

Dear Mr. Chairman,

Sub: Allegation on the use of Child Labor by US Department of labor (USDOL) in Indian Leather Products / Footwear.

K H Leather Industries P Ltd. was established in 1984 with the goal to manufacture the best quality footwear for the most reputed brands in the world. Our belief is that in order to achieve this goal, we have to have the right people and also to create the right environment for the people to enjoy their work and stay with us. Since inception we have taken a number of measures for the welfare of our employees. The below list shows some of the efforts we have been taking for many years now:

1. Provide transport facilities for our employees
2. Provide a modern canteen to serve healthy and hygienic food
3. RO treated drinking water
4. Working Dress / Uniforms (2 sets) per year.

We have always believed in strictly following the rules of the land and that includes our commitment to employ persons above the age of 18 years and also to compensate the employees according to the minimum wages act and double payment for overtime when working overtime was necessary.

In order to be the best among the industry and to set an example for other companies to follow, we have got our company SA 8000:2001 accredited by DNV in the year 2008 and most recently we got it upgraded to SA 8000:2008. As part of SA 8000, we have different committees that actively engage and improve the lot of the people employed by us. NGOs like Indian Red Cross Society, St. John Ambulance, Rotary International, etc. visit us regularly to interact with our employees, committees and certifying body.

CORPORATE OFFICE : A.H. HOUSE, 266, PERIYAR E.V.R. HIGH ROAD, KILPAUK, CHENNAI - 600 010, INDIA.  
Ph : 044 - 26412708 Fax : 044 - 26423237, 26427528 e-mail : headoffice@ahindia.com



## K.H.LEATHER INDUSTRIES PRIVATE LIMITED

No.18, Krishnagiri Bye- Pass Road, Ranipet - 632 401

Ph : 04172 - 270945 / 46, Fax : 04172 - 272574 / 270285 E-mail : fullshoe@ahindia.com



This shows our commitment to establish just social compliance norms in our company, including the employment of persons only above 18 years of age. We have posted sign boards of "NO CHILD LABOR ENGAGED" at many places in the factory. We do not employ people without a valid birth certificate or school certificate or a medical certificate from a registered medical doctor. We do maintain records of all individuals in neat and systematic way for any quick verification.

We have as our customers some of the best brand names in footwear in the world and most of them do have their own social compliance norms. They have periodically audited our company to be in tune with their established Code of Conduct and Ethical Standards in the areas of social compliance, health and safety, environment, usage of personal protective equipment, etc. and the result has been very good according to them.

We welcome your wise initiative to appoint a US based Consultant and we welcome the consultant to visit us and access all above mentioned information, so that he can prepare a good case to rebut the allegations of USDOL against the Indian Footwear Manufacturers.

We are enclosing herewith the SA 8000 certificates for our group of companies for your kind perusal.

With Warm Regards,

(MALACK AKTHER HUSSAIN)  
Director  
K H Leather Industries P Ltd.

CORPORATE OFFICE : A.H. HOUSE, 266, PERIYAR E.V.R. HIGH ROAD, KILPAUK, CHENNAI - 600 010, INDIA.  
Ph : 044 - 26412708 Fax : 044 - 26423237, 26427528 e-mail : headoffice@ahindia.com



DET NORSKE VERITAS

**SOCIAL ACCOUNTABILITY SYSTEM CERTIFICATE**

Certificate No. 23571-2008-ASA-IND-SAAS Rev. 01

*This is to certify that  
the Social Accountability System  
of*

**KH LEATHER INDUSTRIES (P) LTD.**

*at*

No. 18, Krishnagiri Bye-pass Road, Ranipet - 632 401, INDIA

*has been found to conform to the Social Accountability Standard:*

**SOCIAL ACCOUNTABILITY 8000:2008**

*This Certificate is valid for the following product or service range:*

**MANUFACTURE AND EXPORT OF FINISHED SHOES**

*Original Certification date:*  
12 March 2008

*This Certificate is valid until:*  
12 March 2011

*Compliance to the Standard in respect to the indicated scope  
is verified by the DNV approved registered Team Leader:*

**Manokaran Kanagarajah**  
*Lead Auditor*

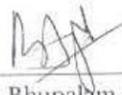


003

*Place and date:*

Chennai, 05 February 2010

*for the Accredited Unit:*  
DNV CERTIFICATION SERVICES,  
REGION INDIA

  
**Bhupalam Ajit**  
*Management Representative*

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.

DNV AS CERTIFICATION SERVICES, EMGEEN CHAMBERS, 10, C.S.T. ROAD, VIDYANAGARI, KALINA, SANTACRUZ (E), MUMBAI - 400 098



