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2 August 2012

Mr. Ravi Peiris Director General Employers Federation of Ceylon

By email: ravip@empfed.lk

Non-respect of trade union's rights

Dear Mr. Peiris,

We, IndustriALL Global Union representing 50 million mining, energy and manufacturing workers in 140 countries and Clean Clothes Campaign, are writing to you to express concern at your gross misrepresentation of J Crew's recent decision to stop sourcing production from Mirrai.

We understand that in a recent email exchange with Anton Marcus, our affiliate FTZGSEU, you claimed that Mirrai 'lost its orders thanks to all the allegations leveled against them internationally', and that 'employment will be lost as a result of the work done by their own 'saviours''.

Rather than lashing out at the union for the loss of orders, the Ceylon Employers Federation would do better to encourage Mirrai to make improvements in order to try to safeguard its business and the jobs of the workers it employs.

As you know, the FTZGSEU attempted to establish a dialogue with Mirrai management over gross violations of the right of freedom of association. Earlier this year the regional representative of the then International Textile, Garment and Leather Workers' Federation (a founding member of IndustriALL) also met with Mirrai, but the company refused to engage in good faith. This left the union with no option but to seek the intervention of the company's buyer, J Crew.

J Crew investigated and confirmed the allegations, while also confirming something they already suspected: that Mirrai did not have in place the necessary management systems and procedures expected of a company operating in global markets.

This came as no surprise to us. Analysis shows that disregard for working conditions and industrial relations is usually a symptom of a weak management unable to realise a company's full potential. Decent work, on the other hand, is usually accompanied by above average

productivity, better quality production and an ability to deliver on time, all elements necessary for a viable, profitable and internationally competitive business.

J Crew sought the company's cooperation in implementing an action plan to remedy the violations and deficiencies that had been identified. J Crew's intention was quite clearly to work with its supplier to secure improvements. However, when Mirrai failed to take the matter seriously, J Crew was forced to reduce its orders as a warning about the consequences of failing to comply with its code of conduct

When Mirrai indicated in writing and in action that it had no intention of making the necessary improvements, J Crew was left with no option but to cease production at the factory.

J Crew's exit letter to Mirrai (attached for your information) makes it clear that its reason for leaving the factory is not the allegations brought by the union, nor even the existence of violations, but rather Mirrai's failure to partner with J Crew to remedy the violations.

Industriall Global Union and Clean Clothes Campaign would therefore echo the request from the FTZGSEU for the EFC to persuade Mirrai to respect national laws and international standards in order to safeguard its business and the jobs of the workers it employs.

Sincerely,

Jyrki Raina General Secretary

IndustriALL Global Union

Attachment: Letter from J Crew

Ineke Zeldenrust International Coordinator Clean Clothes Campaign,