

## **Press release**

Upon request of the Dutch government, the Indian government, the Dutch non-governmental organisations Clean Clothes Campaign and India Committee of the Netherlands ('CCC/ICN'), Antenna and XS4ALL (Dutch internet providers), and the Indian clothing producer Fiber & Fabrics International along with its subsidiary Jeans Knit Private Limited ('FFI/JKPL'), Minister of State and former prime-minister of the Netherlands, Ruud Lubbers, has since mid December 2007 led a mediation process to come to a structural solution of the conflicts which have arisen. Parties have resolved their conflict at the end of January 2008.

The Indian clothing producer and the Dutch ngo's have jointly come to the following solution: in consultation with local Indian organizations and unions, an ombudsperson in Bangalore will be appointed. The ombudsperson for future conflicts will be independent and have the full confidence of all parties, local as well as international. Should employees, local organisations or CCC/ICN have any complaints concerning labour conditions at FFI/JKPL, they can submit these to the ombudsperson, who has a mandate to resolve them. This initiative will not hinder the right of any employee to become a member of a union of his choice, which can then directly represent him towards the FFI/JKPL management. CCC/ICN are confident that any possible violations of labour rights will be reported in a timely fashion and will be resolved in a correct manner. Should FFI/JKPL or any of their customers have complaints about the remarks or behaviour of ngo's or unions, they can submit these to the ombudsperson, who will independently verify the issues and take binding decisions.

Supported by this solution, parties no longer require the courts to provide judgment on their difference of opinion concerning the allegations put forward by local Indian organizations, and disputed by FFI/JKPL, as to events lying in the past (2005/2006). Therefore, the Indian

company withdraws all legal proceedings and CCC/ICN bring to an end all campaigns against FFI/JKPL and the Dutch jeans brand G-Star. The ngo's have also withdrawn the complaint about the alleged violation of the OECD Guidelines.

In good consultation with Lubbers, G-Star, the most important former customer of FFI/JKPL, re-establishes its commercial relationship with FFI/JKPL, so that the 5500 Indian employees are not the victim of the conflict. Lubbers has ascertained that with the litigation ending and the appointment of an ombudsperson, there is no reason to consider the labour conditions not in compliance with Indian law and international standards. He has encouraged G-Star to re-establish its commercial relationship with the Indian producer. He has made this request expecting that other customers will follow.

Lubbers has been assisted by Mr. Ashok Khosla, who has worked for the Indian government as well as the UN. Khosla is the chair of NGO Development Alternatives and co-chairing the Club of Rome. Lubbers and Khosla are both representatives of the Earth Charter. Khosla has been requested to propose a suitable candidate to act as ombudsperson. The ombudsperson shall act within the framework of Indian law and international standards including the Earth Charter. The Constitution of India 1949 guarantees the freedom of speech and the freedom of association. The Indian Trade Union Law 1926 functions adequately: unions represent employees in labour issues. Khosla and Lubbers shall be available to act as a sounding board for the ombudsperson, but shall also continue to safeguard this agreement as 'Custodians'.