

FAIR LABOR ASSOCIATION SUMMARY REPORT
Jeans Knit Private Limited
June 30, 2021

On March 16, 2020, the Fair Labor Association (“FLA”) initiated a Third Party Complaint (“TPC”) investigation, after having received a complaint from the Bangalore North office of the National Union, CITU (Centre of Indian Trade Union), concerning allegations related to work arrangements, wages and benefits, termination of workers, excessive hours of work, freedom of association, and harassment of workers at the Jeans Knit Private Limited (“JKPL”) factory (“the factory”) in Bengaluru, Karnataka State.

JKPL, a manufacturer of specialized apparel products for 34 years, was a supplier of FLA Participating Company adidas, although that sourcing relationship since has ended. It also is a supplier to VF Corporation (“VFC”), a Category B licensee of the FLA (though the supplier relationship is outside the scope of VFC’s FLA affiliation), and of G-Star RAW, which is not an FLA affiliate. (Collectively, the three companies are referred to as “the brands” throughout this report.)

Subsequent to receipt of the CITU complaint and before deciding whether to initiate a formal TPC investigation, FLA staff based in India was in contact both with the brands and CITU officials. FLA staff met with CITU officials and with selected factory workers to discuss the allegations and the process for the handling of third party complaints.

In addition to a general review of the allegations, as summarized above, the discussion focused on the allegation that workers in the knitting department were pressured to operate ten machines – when previously they had to operate only five machines. FLA staff provided a set of documents prepared by the union and related to the allegations to the brands, and also facilitated a meeting between the brands and union officials.

After further consultation with the brands, and slightly over two months after receiving the complaint, the FLA decided to initiate a TPC investigation and proceed to Step 3 of the process – meaning that the brands agreed to commission an independent expert to proceed with the investigation rather than handling it themselves.

The three companies agreed to work together with the FLA on their joint selection of the independent investigator. After an extended review of different options, the brands in August 2020 selected ASK Training & Learning (“ASK”), based in Gurugram, Haryana State, to undertake the investigation.

Due in large part to the Covid-19 pandemic restrictions, the subsequent process of undertaking the investigation took significantly more time than expected. From January 7-10, 2021, ASK investigative staff, led by Dr. Aqueel Khan, visited the factory, interviewed workers and management, and reviewed all relevant documents made available.

The ASK team subsequently submitted its draft investigation report, which was shared with CITU, the brands, and in turn with factory management, and after receiving feedback ASK then finalized its report. The FLA thanks the brands for their leadership and engagement through the extended process, the ASK team for its diligence and professionalism, and both JKPL factory management and CITU for their cooperation prior to, during, and after the investigation. It is important to highlight that regular communication was maintained among the parties throughout the process.

The ASK report outlines the investigation methodology, including engagement with workers both onsite and offsite, with factory management, and additional outreach, as well as a detailed document review and analysis. The report reflects the ASK team’s in-depth review of the allegations raised by the complainant concerning work arrangements, including with respect to the operating of machines, termination of workers, issues related to freedom of association when workers joined the union, excessive working hours, wages and benefits, and harassment and intimidation of workers.

The report presents each allegation in separate sections, explaining the process and methodology followed by the investigation team in determining which were meritorious and which were not accurate, and the feedback received from both complainants and factory management. It also references legal findings under each section.

Following its analysis and conclusions, the report includes a set of specific recommendations and proposed corrective action plans – linking those corrective actions to the underlying findings and conclusions.

FLA staff has carefully reviewed each of those elements of the report, in particular the findings and proposed corrective action plans. The FLA appreciates the investigators' careful framing of the allegations, and the findings and conclusions with respect to them. Consistent with its longstanding practice, the FLA does not substitute its own judgment for that of the independent investigator.

The report is thorough in its framing of the corrective actions it recommends that JKPL undertake to address both the specific allegations and more systemic shortcomings identified as a result of the investigation. These include documented failures by factory management to communicate adequately to workers concerning critical issues such as work arrangements (pertaining to the number of knitting machines each worker was expected to operate); channels available for reporting grievances and seeking redress; appropriate procedures for review of complaints; termination procedures; wage information; and harassment of workers.

More broadly, the report cites the need for factory management to engage more effectively with workers and union officials in resolving grievances. Many of the recommended corrective actions therefore concern the need for much more effective training of both workers and management with regard to the specific issues noted above, and in general on means for improving communications and engagement between management and workers.

Additional recommendations for strengthening grievance mechanisms and formation of a separate grievance redress committee also are intended to promote greater worker engagement.

The FLA notes the detailed set of proposed corrective actions, which if implemented by factory management will go a long way to addressing the areas of noncompliance highlighted in the report. The FLA endorses these recommendations, including those focusing on the exercise by workers of rights both covered by national law and in the FLA's Code of Conduct and Benchmarks.

The FLA also notes that factory management has prepared its own statement concerning the report; this notes that the learnings from this complaint process "will be taken into consideration during our future management of transparency and communication protocols internally and externally" and states JKPL's commitment to supporting workers and communities.

The FLA urges the brands to work closely with factory management to implement the listed corrective actions as expeditiously as possible, and to report back in a timely fashion on the status of implementation. The FLA notes that factory management already has communicated to the brands its readiness to move forward with an effective remediation plan – a positive indication of its commitment to improve particular practices as well as support for a broader social dialogue.

The FLA stands ready to provide guidance and assistance concerning the means for ensuring that these recommendations are indeed implemented effectively to support the complainant union’s members and the JKPL factory workforce as a whole.