

**RT Knits (Mauritius)
Summary Report
December 12, 2022**

FLA commissioned this independent investigation at the request of three brands sourcing from the RT Knits factory in Mauritius. Two of those three brands (adidas and Gymshark) are FLA affiliates, while the third brand (ASOS) is not. FLA appreciates the coordinated engagement and cooperation of the brands throughout the process and looks forward to that continuing during the remediation phase that lies ahead.

The main allegations shared with FLA by the brands – which made clear their desire to have these investigated by an independent third party in order to assess their validity – were as follows:

- Requiring migrant workers at the factory to cover the cost of return flight tickets, rather than having the factory do so, as required by the employment contract;
- Verbal abuse and other harassment of workers by factory supervisors/managers;
- Mandatory and involuntary overtime work;
- Corruption and bribery practices, including by requiring workers to pay management personnel for better work assignments/tasks in the factory;
- Lack of effective access to remedy through the factory's grievance system;
- General health and safety issues, including inadequate living conditions in the dormitories; and
- Information pertaining to alleged payments made by migrant workers of recruitment fees in both their countries of origin and in Mauritius.

FLA selected Mr. Srinivas Pokkurunu from InSync Global, an auditing and consultancy firm specializing in social compliance work and based in Haryana, India, to conduct an independent investigation and analyze and report on each of those allegations, as well as any additional information learned during the course of the investigation. The independent Investigator performed onsite factory and dormitory visits, conducted interviews of workers and managerial staff, and met with additional stakeholders to gain a fuller understanding of both the specific allegations reported and other issues experienced by migrant workers in Mauritius.

As explained in the report, the Investigator concluded that for the most part, there was not adequate evidence to prove the specific allegations reported to FLA. At the same time, the Investigator found certain shortcomings in factory policies and practices creating risks related to recruitment and hiring, compensation, and termination. As a result, the Investigator's final report highlights the need for improvements in management communication with workers in order to prevent similar problems in the future.

Specifically, the Investigator has included what he, at pages 25-26 of the report, terms “additional findings” under four headings: Hours of Work, Recruitment and Hiring, Compensation, and Health and Safety. In each area, he provides specific recommendations for remedial actions that also are incorporated in the set of corrective actions that now should be undertaken by the factory in close coordination with the three brands.

Of particular note, after the Investigator’s completion of his report and sharing it in draft form with FLA and subsequently with the brands and then factory management, his specific finding relating to the **deduction of food and accommodation allowances from the wages of migrant workers** was disputed by factory management.

In challenging his analysis, management officials provided documents to justify this practice and claimed that this is a result of existing employment contracts vetted by local authorities. The Investigator responded that the official government document pertaining to importation of labor states clearly that the employer **should** provide this service free of charge, also noting that according to information gathered from several factories in Mauritius, this is not a common practice as claimed by RT Knits’ management.

As a result, the Investigator reaffirmed that this practice should be discontinued unless factory management is able to provide an opinion letter from the Mauritius Ministry of Labor, Human Resource Development and Training stating that those deductions are in fact acceptable. To date, factory management has not been able to provide such a document – only sharing its own views based on documents that already had been carefully reviewed by the Investigator.

FLA therefore concludes that the Investigator’s finding and analysis on that issue, as with the others, remain valid; should an official letter from the government stating an official policy clearly to the contrary be produced after publication of the report, FLA will duly note that as an addendum on its website. FLA also welcomes other inputs on this important issue concerning deductions from migrant workers’ salaries, including from other brands sourcing from the country.

FLA thanks the Investigator for his dedicated and detailed work on this brand-commissioned investigation and looks forward to engaging with the three sourcing brands on implementation of a timebound corrective action plan.