

**Fair Labor Association (FLA)  
Brand-Commissioned  
Independent Investigation Report**

**RT Knits  
Mauritius**



*Insync Global*

GF # 24, Augusta Point, Golf Course Road, Sector 53, Gurugram -122002, HARYANA, INDIA.

Contact - +91- 9810352069 | email – [srini@insyncglobal.in](mailto:srini@insyncglobal.in) / [www.insyncglobal.in](http://www.insyncglobal.in)

## Table of Contents

	<b>Page number</b>
A. INTRODUCTION.....	3
B. PURPOSE OF INVESTIGATION.....	3
C. BACKGROUND INFORMATION.....	4
D. SCOPE OF INVESTIGATION.....	6
E. METHODOLOGY .....	7
F. FACTORY INFORMATION .....	8
G. INFORMATION GATHERED BY THE INVESTIGATOR .....	10
H. CONCLUSIONS AND RECOMMENDATIONS.....	21
I. OVERALL OBSERVATIONS.....	27

## A. Introduction

The Fair Labor Association (FLA) selected Mr. Srinivas Pokkurunu from InSync Global<sup>1</sup> as the independent investigator (the “Investigator”) for the investigation of a series of concerns pertaining to employment practices of foreign migrant workers in the RT Knits factory in Mauritius.

Investigator is an independent figure who is also an approved assessor for FLA manufacturing assessments and with extensive knowledge and experience in social compliance and CSR areas. Investigator worked with Mr. Sunil Magroo, who helped Investigator as a local partner throughout the investigation process. Investigator has conducted assessments in Mauritius in the past and thus brought his experience in the industry and working conditions in the country. Together with local partner, apart from English the team speaks Malagasy as well as French, Creole, and also Hindi and Bangla -- which was enough for covering all migrant workers currently employed in this factory.

Allegations of employment practices of foreign migrant workers were brought to FLA’s attention by the brands sourcing from this factory, and the investigation was commissioned by FLA at the request of three brands (the “Brands”) sourcing from this factory; two of those brands (adidas and Gymshark) are FLA affiliates, while one (ASOS) is not.

FLA provided information about allegations/concerns shared by the Brands and arranged an introductory meeting with the Brands to finalize details of this independent investigation. During this call, Investigator received detailed, updated information from Brands about those allegations/concerns revolving around the employment practices pertaining to migrant workers and discussed and agreed to a timeline for this investigation.

## B. Purpose of investigation

After reviewing information gathered from the Brands through an online meeting and documents delivered to the Investigator after that meeting, Investigator has listed below the key allegations to be reviewed and analyzed during this investigation:

- 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.
- Information pertaining to alleged payments made by migrant workers of recruitment fees in both their countries of origin and in Mauritius.

---

<sup>1</sup> InSync Global is an India-based auditing/consultancy company specializing in CSR and Social Compliance-related matters.

## C. Background Information

Investigator had a chance to meet with representatives of the Migrant Resource Centre (MRC) based in Mauritius, which is an organization working on improving the employment conditions of migrant workers and supporting them in case they experience any problems related with their employment and living conditions. This organization was jointly formed by IndustriALL Global Union, Anti-slavery International, ASOS and the Confederation des Travailleurs des secteurs Publique et Prive (CTSP) to protect the rights of migrant workers against modern slavery, which includes bonded labor, debt bondage, and debt slavery. MRC has expertise in addressing concerns with migrant workers employed in construction, the garment sector, and retail shops and establishments relating to unethical employment practices.

Some problems that MRC has observed and intervened on are as follows: -

- Workplace injuries / poor health and safety conditions.
- Mistreatment of workers by employers and managerial staff.
- Sexual harassment by employers.
- Workers paying for return airfare to country of origin (common in small and medium-sized enterprises).
- Unhealthy living (dormitory) conditions.
- Non-payment of wages / unreasonable deductions.

Within the past two years, MRC received up to 400 complaints which they tried to address; however, it was not always possible for them to solve all of them. This is mainly due to the lack of strong government policies and action against complaints. The larger garment factories have systems in place resulting in fewer numbers of complaints comparatively. It is mostly the unorganized sector like construction where exploitation of migrant workers still persists.

There have been numerous complaints from workers about unpaid and short wage payments. Some such instances were noted in garment factories as well. There have been complaints of non-payment of return air travel costs which is more common in small and medium factories. Instances of sexual harassment of female migrant workers by owners of some factories were reported and MRC intervened to address the complaint. It facilitates conducive employment relations. However, some factory owners do not permit MRC to access their factories ([www.industrialall-union.org](http://www.industrialall-union.org)).

Investigator's own experience showed similar issues reported by MRC during the meeting. Below is a list of issues observed by Investigator during the assessments that he conducted in Mauritius:

Recruitment and Hiring - It is understood that most workforce in industries in Mauritius are foreign migrant workers from Madagascar, India, Nepal, Sri Lanka and Bangladesh. Few are from Pakistan. These workers work in construction activities, factories, housekeeping staff in offices and restaurants and few in shops. Majority of workforce (over 65%) is from Bangladesh and work mostly in Garment factories. Recruitment agents from country of origin are assigned to hire these foreign migrant workers. They are shortlisted based on information gathered from Embassies of respective countries or contacts from other local industries employing such workers. Factories sign an agreement with recruitment agents for services meant to be provided. Requirements of workers are shared with the agents (via a demand letter) who identify and shortlist possible persons in the parent country. The list is sent for review to factories. Teams from the factories travel to the country of origin and interview shortlisted workers. Workers are further shortlisted and terms of employment are communicated.

Contract vetted by Mauritian government is signed by factory with shortlisted candidates.

Contents of the contracts are in English which most workers do not read or understand. Usually the agent summarizes the contents or reads out basic information pertaining to nature of job, wages payable, travel information and accommodation. Workers are not informed of all benefits, deductions that will be made from wages, terms of employment and travel conditions post end of contract. However, no information is provided on travel conditions prior to end of contract for multiple reasons (professional and personal). It is expected and assumed that migrant workers will not use their leaves to travel home until completion of contracts. This is true in most cases and wages for leaves is paid as terminal dues. There are instances when workers returned to their country prior to end of contract either due to personal or professional reasons. In most instances, it was noted that some workers returned home post end of contract period.

Upon acceptance of employment, the agent is required to provide medical examination certificates at his cost which is reimbursed by the factory, for workers confirmed for employment. However, in all cases based on feedback from workers interviewed, it was discovered that workers pay for their medical tests as advised by agents. They are unaware if the factories pay the agents to cover this cost.

Though factories define in the agreement with recruitment agents that no recruitment fees is to be collected by the agents from workers, information gathered from interviews with expat workers especially from Bangladesh revealed that workers pay money to sub agents (local contacts of principle agent who connects with workers from villages) to get connected with principal recruitment agents for consideration of employment. The amounts vary between BDT (Bangladesh Taka) 40,000 to over a 100,000 taka. Some workers took loan from banks or local money lenders pledging their houses or farmlands. Some sold jewelry or part of their land. Some took loans from relatives and friends or local private financial firms by pledging their houses or land. These workers repay the loans in installments with high interest rates and are under pressure to pay within mutually agreed timelines else they fear of losing their houses or land. With supply being more than demand within the country, workers tend to travel out of the country in search for jobs. Some jobs pay more than opportunities available within the country.

Work and residence permits issued by the government are arranged by the factories for confirmed workers. Workers are employed on fixed term contracts usually for a period of 3 years which is extended on mutual agreement between employer and employee with a cap of maximum of 10 years. Based on work decision, work and residential permits are renewed.

Factories pay for travel from country of origin and upon completion of contract period, if the worker does not wish to continue to work, is allowed to return to their countries and factories pay the return cost of air travels. This practice is recorded in the contract. Air travel tickets are arranged and workers are dropped to the airport. However, what is not recorded and clarified is payment of air travel prior to end of contract for personal reasons or on authorized leaves. Usually, decision is left to management. There have been instances where workers paid for their air ticket and went back home when they didn't want to work in a factory for poor work culture or mistreatment by supervisors. Some workers wanted to see their families back home and paid for travel to and back. As a punishment for not completing the agreed contract period, return fares are not paid by the factories.

Living conditions - Few factories (mostly the larger groups) have dormitories to accommodate some percentage of workers and lease privately owned houses to accommodate rest workers. Basic health and safety standards are ensured however there were concerns with unhygienic and unhealthy sleeping arrangements. Mattresses are provided by factories on bunker beds, however these mattresses were used by multiple workers, were damaged or smelling. Some had bed bugs. Hence some workers either purchased their mattresses and some preferred to sleep on bed-sheets spread on beds without use of mattresses. Most workers preferred not to complain about fear of retaliation or losing their jobs. Food is provided separately for each of the nationalities and workers did not have much complaint on quality of food. Workers are allowed to cook themselves if they wish to and provision for cooking (Gas burners) is provided by most factories. Though contract defines that accommodation and food will be provided, workers need to pay some amount towards food expenses which is deducted from their wages.

Employment relations - Team leaders from each nationality are assigned for communication between workers and management. These leaders are employees who have been employed for over 3 years. There have been concerns from workers about miscommunication on work requirements by team leaders resulting in workers being disciplined for no fault of theirs. Concerns were also raised against team leaders being puppets in the hands of management who put production pressures on workers. There have been instances where unwell workers are not allowed to stay away from work and rest in dormitories which resulted in deterioration of health of workers. However, workers do not raise concerns or complain for fear of losing their jobs. Most workers are not made aware of grievance reporting channels and the only option they have is to report to their respective team leaders. Even if they approach the HR team directly, they are redirected to report through the team leaders. In such instances, team leaders do not listen to the workers because workers did not report to them prior to approaching HR Team.

Wages - Wages in accordance with legally mandated notifications and Remuneration Act are paid to workers. Calculation of compensation for overtime work is complex and workers are not aware of the overtime calculations and calculation of legally mandated deductions.

H&S - Health & Safety standards in work areas are usually well maintained in most factories.

Hours of work - Workers work 45 regular hours a week and based on production requirements, they work overtime. Overtime is voluntary and workers had no complaints of being forced to work overtime.

## **D. Scope of Investigation**

The investigation is a result of analysis of information provided by a variety of stakeholders, as listed below:

- Brands sourcing from the factory targeted in this investigation
- Local stakeholders/information sources
- Interviews with managerial staff of the factory
- Documents review
- Interviews, both onsite and offsite, with migrant workers
- Visual observations of production areas and dormitories

## E. Methodology

Period of Investigation: August 22 to August 25, 2022

### 1. Pre-visit –

- An online meeting with FLA and Brands involved to understand concerns/allegations.
- Review of documentation/information shared by Brands.
- Desktop research on country specific context such as industry practices, challenges faced by migrant workers and living conditions.
- Telephonic interview with ex- workers of the factory.

### 2. On-site visit-

#### Day 1 – August 22, 2022

- Opening meeting with Management to communicate objective and scope of the visit.
- Interview with management to review management policies and procedures pertaining to international standards on workers' rights, such as FLA code and benchmarks.
- Interview with Supervisors – to review their awareness level on factory's policies and procedures on employment and health & safety.
- Interview with local and migrant workers– to gauge awareness of factory's policies and procedures, recruitment, hiring and termination procedures, working hours and wages, living conditions and work environment.
- Review of documentation pertaining to Recruitment, Hiring, Termination, Grievance and Disciplinary procedures.

#### Day 2 – August 23, 2022

- Visit to all dormitories and production areas.
- Private interview with workers who were at lunch in few dormitories (these workers worked on night shifts).
- Continue interviews with Supervisors and Workers (Production and non-production).
- Continue with review of documentation pertaining to Recruitment and Hiring and Promotions.
- Review of documentation pertaining to trainings conducted in past 12 months.
- Post factory visit, telephonic interview was conducted with 2 workers from India who left employment earlier in the year (2022). Contact information was obtained from employment documents of these workers. Similar attempts were made to contact 5 workers from Bangladesh who left employment in 2021 and 2022 however they changed their phone numbers and were not reachable.

#### Day 3 – August 24, 2022

- Interview with management to seek clarifications on practices based on information gathered from interview with workers and Supervisors.
- Review of documentation pertaining to termination for sampled workers (local and migrant).

Day 4 – August 25, 2022

- Closing meeting with Management – discussed areas for improvement, challenges in implementation of management systems.
- Meeting with MRC – Mauritius Resource Centre (external union).

## **F. Factory Information**

RT Knits (formerly called Richfield Tang Knits Ltd) is located towards western part of Mauritius. In 2019, the name of the factory changed to RT Knits. The factory is approximately. 11 kms from Port Louis and approx. 60 kms. (one hour) from Mauritius International Airport.

Mr. K.T is the Director and Mrs. F.C.B.F. is the Chief Operating Officer.

The factory produces knit garments (T- shirts, Polos etc.) and breakdown of the total production by brands are as follows: adidas (35%), ASOS (20%), Gymshark (5%) Polo Ralph Lauren (5%), Lacoste (5%), Puma (5%) and others (25%).

Production processes in the factory are Knitting, Dyeing, Washing, Cutting, Printing, Embroidery, Sewing, Finishing and Packing. These processes are housed in eight buildings, as follows:

Building # 1 – Yarn storage

Building # 2 – Basement + 2 floors – Knitting, Meeting rooms, Admin and Finance departments

Building # 3 – Dye House.

Building # 4 - Make up - 2 floors (Cutting, washing, Embroidery – ground floor and Make up on 1<sup>st</sup> floor)

Building # 5 - Maintenance workshop

Building # 6 - Maintenance workshop

Building # 7 – Canteen

Building # 8 – Printing

Two dormitory buildings (L. and R.) are located towards rear side of production buildings which are owned and operated by factory.

All production processes are in house.

Worker demographics: -

- Factory currently employs 1,589 employees (1,276 workers + 260 managers + 53 supervisors).
- 38 % are female employees and 62 % are male employees.
- All workers are above 18 years of age.

Foreign migrant workers are from below mentioned countries:

1. Bangladesh – 49 %
2. India – 8 %
3. Madagascar – 7 %
4. Sri Lanka – 12 %
5. Mauritius – 24 %

76 % of workers are expatriates.



## Length of service:

### Expatriate

- < 3 years – 98 %
- 3 to 5 years – 0.7 %
- 5 to 10 years – 1.3 %

### Locals

- < 1 year = 51%
- 1 – 3 years = 7 %
- 3 – 10 years = 19 %
- 10 -20 years = 18 %
- 20 – 30 years = 3 %
- 30 - 50 years = 2 %

## Accommodations:

Factory provides dormitory accommodation for expat workers and staff with a monthly fee. Currently 970 workers reside in dormitories. Female dormitories are separated from male dormitories.

## Working hours:

5-day week x 9 hours a day = 45 regular hours per week

- Make up- 1 shift – 7.30 am to 5.15 pm.
- Dyeing section- 2 shifts - 7.30 am to 6.30 pm and 6.30 pm to 7.30 am (inclusive of 1 hour and 3 hours of overtime).
- Knitting section- 3 shifts - 8 hourly - 7.30 am to 3.30 pm / 3.30 pm to 11.30 pm and 11.30 pm to 7.30 am.

## Weekly rest day:

- Sunday for all departments except for knitting section where weekly off is staggered

## Overtime:

- Workers from make-up department work overtime on at least 3 days in the week and for half day on some Saturdays based on production requirements. Factory obtains written consent from workers prior to overtime work. Overtime work is voluntary.

## Pay period:

- 19<sup>th</sup> day of month to 18<sup>th</sup> day of following month. Wages are paid by 30<sup>th</sup> day of every month (within 10 working days).

## Minimum wage: MUR 9,875 per month

- Expatriates

Basic wage		= MUR 7,116
<u>Food &amp; accommodation</u>		<u>= MUR 2,640</u>
TOTAL	→	= MUR 9,756
<u>Wage adjusted</u>		<u>= MUR 119 (MUR 9,875 – total of MUR 2,640 +MUR 7,116)</u>
<u>TOTAL</u>		<u>= MUR 9,875</u>

- Locals

Basic		= MUR 7,116
<u>Wage adjusted</u>		<u>= MUR 2,759</u>
<u>TOTAL</u>		<u>= MUR 9,875</u>

In addition, the locals are paid MUR 500 as fixed amount to motivate them to come to work and additional MUR 500 as attendance incentive apart from attendance bonus if they are present at work on all days in the pay period,

In addition to above wages, Factory provides below incentives:

- Production Bonus – Based on efficiencies and performance of entire production line
- Attendance Bonus - Paid to workers who report for work on all working days within a month
- Performance bonus – Paid to workers who exceed predetermined production targets.
- Quality bonus – Paid to workers who achieve defined quality standards

Legally mandated deductions from wages: NPF (National Pension Fund) and NSF (National Savings Fund)

## G. Information Gathered by the Investigator

### 1. Pre-visit:

- Workers pay for their return airfare tickets if they wish to return to their country before the completion of the period of their employment contract.
- Supervisors are bribed to allow workers to work overtime.
- Most workers work overtime beyond 2 hours a day.
- Workers residing in dormitories need to leave their factory identity cards at the main gate should they wish to go out after work hours.
- Migrant workers pay a fee to recruitment agents though this payment is not official and documented.

### 2. Onsite visit:

#### a. Opening meeting - Management team present during opening meeting.

- i. Administrative Manager
- ii. Head of Department – Compliance
- iii. HR officer
- iv. Payroll officer- Make up department
- v. Workers Council Representative (Employee Relation)
- vi. Sr. HR Officer (responsible for grievance systems)
- vii. Sr. HR Officer (Recruitment and Hiring)
- viii. Chief\_Finance\_Officer
- ix. Payroll officer
- x. HR Officer.

#### b. Documentation –

##### i. *Recruitment and Hiring:-*

##### ➤ Written policy and Procedures

##### ● Policy – Existing policy does not include following elements:

- Requirement for trainings to Recruitment Agents,
- Requirement to review employment information for workers periodically to ensure updated information is maintained at all times.
- Assigning responsibilities to specific HR team for all reacted events.

- Clause 1.3 (3<sup>rd</sup> bullet point) under Administrative procedures in the Policy states *that cost of airfare to the factory from country of origin and return to country of origin upon completion of contract or any other cause will be paid by factory*. It does not specify conditions for payment of air travel cost to country of origin, when the worker does not complete the contract period (3 years) and if workers wish to use their leaves and travel to their country of origin within the contract period or any family emergencies in country of origin.
- In the Policy, Clause 5.0 – *Accommodation - states that workers will be provided free furnished accommodation*. Policy does not include information if foreign migrant workers have the option to arrange their own accommodation and if it is compulsory to use factory provided accommodation.
- Policy does not include information on movement of workers living in dormitories during free time.

c. Implementation

I. Recruitment process of Foreign Migrant Workers

- Identification of agents in countries from where workers are to be recruited and shortlisting agents based on data gathered from Embassy and references from other factories in the region.
- Meeting with Recruitment Agents to check on legal formalities, explain recruitment processes and finalize agreements.
- Demand letter (to communicate worker requirements) sent to Recruitment agent.
- Candidates are shortlisted by agents based on requirements of skill levels. The agent connects with government run skill training schools and local contacts to identify workers.
- Shortlisted candidates meet the agents who communicate information on terms of employment.
- List of candidates selected by agent is sent to factory management.
- Three-member team comprising of Administrative Manager, Technical Manager (usually the COO- Chief Operating Officer) and a technical officer travel to country of origin and meet with the recruitment agent.
- Selected candidates are called for a meeting with factory team in cities of Mumbai, Vapi, Bhubaneswar and Kolkata in India, Dhaka in Bangladesh, Colombo in Sri Lanka and Antananarivo in Madagascar.
- The factory team conducts an awareness program using a PowerPoint presentation and communicates terms of employment to candidates. (Factory maintains video recordings of such events and was shared with Investigator).
- Candidates are explained that they do not need to pay any recruitment fee and the factory will bear all costs.
- Candidates are asked to confirm their willingness to join the factory.
- A final list of recruits is prepared.
- Willing candidates are provided with an acknowledgement statement confirming understanding of terms of employment, a Mauritian government vetted contract in English which provides information on terms of employment. In addition, factory provides a translated copy of the contract to workers for easy understanding of the recruits. Workers need to sign these documents.
- The factory team returns to Mauritius and applies for work permits of selected recruits.

- Upon receiving work permits (applicable from date when workers arrive in Mauritius) factory arranges for air tickets and workers arrive in Mauritius in groups.
  - Upon arrival, workers are received at the airport by team leaders from respective countries and transported to dormitories.
  - Workers are provided food and MUR 500 to buy immediate requirements (toiletries etc.).
  - Resident permits are obtained for workers.
  - On day 2 upon their arrival, workers are brought to the HR office for completion of documentation and are asked to sign the vetted contracts and translated contracts. Management shared that the practice is to ensure workers are aware and terms of employment are similar to that they signed in country of origin.
  - Factory identity card is provided to workers and an orientation program is conducted by HR team in presence of team leaders. Apart from employment practices, information on accommodation and food is communicated. Post the program, workers are shown their workstations and introduced to supervisors and they start work.
  - Factory does not conduct training programs for recruitment agents, though all agents sign the code of conduct.
- Recruitment Agents
- List of recruitment agents are obtained from embassies and references from other factories in the region.
  - A team of management staff selects the agent(s) to be used based on experience, legal clearances, costs and capability to provide workers.

#### **RECRUITMENT FROM INDIA:**

Factory has an agreement with “LT” based in Mumbai to provide workers from India. Factory is working with this agent since 2017. The agent holds a valid license no. 0322 valid until February 25, 2023. Factory pays USD 250 to the agent per worker. USD 200 is paid initially and balance USD 50 is paid upon completion of 6 months of employment of the worker. Management stated that they did not travel after 2019 to recruit workers. In 2020 workers were recruited based on interviews conducted virtually due to restriction on travel because of Covid-19 pandemic. Factory representatives planned to travel to India in August 2022 to recruit workers however postponed the visit due to non-availability of travel Visa option at that time.

From review of documentation, it was noted that the agent “LT” issued a letter on May 20, 2022 stating that Mr. I.J.T. is an employee of the agent and would represent the agent for all dealings with factory. Management stated that I.T. represented “TT” who works as a subcontractor for “LT” as TT has better reach out to workers. Factory does not have a written agreement with “TT”. The administration manager called Mr. A.T. on phone to check for legal documentation and conversation was on speaker to allow lead investigator to hear in. The lead investigator spoke with Mr. A.T. who was son of Mr. I.T.I. He confirmed that their firm “TT” is not legally registered to provide workers for employment and they were assisting “LT”. He confirmed that Mr. I.T. is not an employee of “LT” (as claimed in the letter dated May 20, 2022 from LT).

From review of employment documents of workers recruited from 2020, Mr. I.T. has been actively involved in the recruitment process and he has signed on employment documentations.

The above indicates that recruitment process of the factory is being handled by an unauthorized person/ agent.

#### **RECRUITMENT FROM BANGLADESH:**

Factory obtains list from the embassy in Mauritius, References and Bangladesh Ministry of Expatriate Welfare and Overseas Employment (BMEW). Factory has an agreement with "SI Agency" a recruitment agent (Mr. S.A.K.) based in Dhaka, Bangladesh. The agency has a valid license no. 1401 issued on January 23, 2017 valid until January 22, 2023 and trade license no. 162770.

Factory last hired 188 workers in November 2021.

The agent has a firm in Mauritius called MS S.I. which had a license that was valid until January 2019. While S.I. is managed by Mr. S.A.K. 's wife based in Bangladesh, MS S. is managed by S.A.K. who is based in Mauritius. Factory management shared that it was convenient for them to deal with MS S. as they were locally based and easily reachable. Management shared that license of MS S.I. was valid until January 2019 and was not renewed.

Until 2019, factory was using a second agent "S.E.A." from Bangladesh to recruit workers. The agent holds license no 0501 valid until December 31, 2022. Factory decided not to work with the agent and now works only with "S.I.A."

Factory pays USD 250 to the agent per worker. USD 200 is paid initially and balance USD 50 is paid upon completion of 6 months of employment of the worker

#### **RECRUITMENT FROM MADAGASCAR:**

Factory used agent – R.M.L. who holds license no. 254443 which was valid until March 31, 2020. Factory last recruited 50 workers from Madagascar in August 2019. Factory pays MUR 2,500 to the agent per worker.

#### **RECRUITMENT FROM SRI LANKA:**

Factory uses agent – N.S.S.M. (Pvt) Ltd who holds license no.2517 valid until October 2022. Factory pays USD 420 per worker. 18 workers were last hired In August 2022.

#### **RECRUITMENT OF LOCAL WORKERS FROM MAURITIUS:**

Factory hires through references from word of mouth, contacts factories that are closing operations, walk in and at times through local job advertisements.

## EMPLOYMENT CONTRACTS:

Review of contracts signed by workers revealed the following:

- Madagascar - Until March 2022, all contracts signed by workers in country of origin were in English and not in a language read and understood by workers. Post March 2022, terms of employment document were translated in French.
- General
  - i. Nature of work on all signed contracts states "SEWING MACHINE OPERATORS" however workers are employed in other production processes (Finishing / Ironing/ Packing / Dyeing / Knitting / operate Fork lift vehicles / Maintenance / Housekeeping / Printing / Cutting/ Embroidery) apart from sewing machines.

*Legal Reference - Ministry of Labor Industrial Relations Employment and Training via letter dated MLIRET/WP/R 324 IMLA dated March 21<sup>st</sup>, 2019 on importation of labor has in principle approved the factory to recruit sewing machine operators from Sri Lanka, Madagascar, Bangladesh and Myanmar. A follow up letter from 9 July 2019 allows recruitment of sewing operators from India as well*

*Factory Management stated that local government authorities do not permit employment of migrant workers in jobs other than as sewing machine operators and accordingly wages payable are recorded in the contracts. Management stated workers are informed verbally of the actual job that they are being hired for, during interview process in the country of origin. Workers are informed they will be paid wages in addition to the wages recorded on contracts based on nature of job however the actual amount that will be paid cannot be recorded on government approved contracts.*

ii. Clause on "Meal and tea Breaks" states that (a) Meal break of one hour and (b) two tea breaks of 10 minutes each will be provided. This totals to 80 minutes of break. However, in actual practice workers are provided 30 minutes of meal break and one tea break for 15 minutes. This totals to 45 minutes of breaks against 80 minutes as defined in the contract.

*Factory Management stated that workers preferred to have short breaks though there is no written documentation of any such requests or discussion with workers.*

iii. Information on hours of work defines (2) the shift timing for 1 shift i.e. 7.30 hours to 17.15 hours. (3) states that workers may be required to work in shift or roaster system however timings are not defined for the multiple shifts.

In practice the Dyeing section works on 2 shifts (7.30 am to 6.30 pm and 6.30 pm to 7.30 am) which includes Overtime post completion of 9 hours of regular work. Shifts are rotated every week.

Knitting department works on 3 shifts rotated every week.

*Factory Management stated that machines have to be kept operational, hence the arrangement.*

iv. Contracts do not provide information on pay period and mode of payment (cash / bank transfers).

*Factory Management stated that contracts state wage will be paid as per National Regulations.*

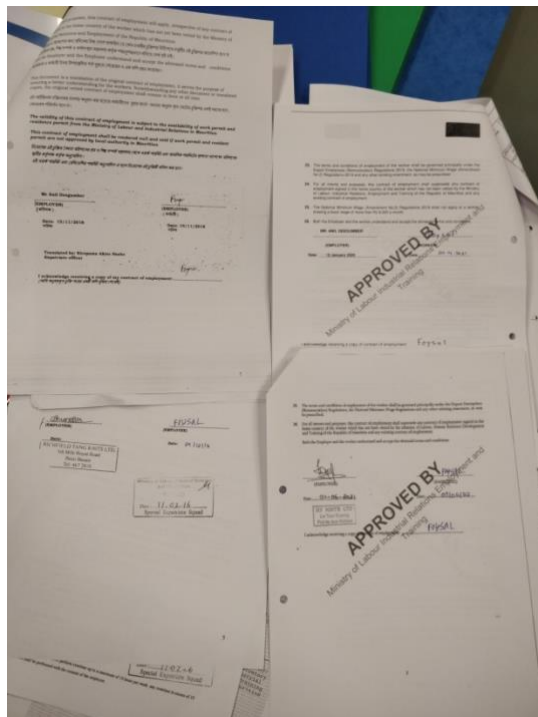
v. Contracts do not provide information on calculation and amount (Percentage) of deduction from wages though it states that deductions as prescribed by law will be made.

*Factory Management stated that contracts are vetted by local government and changes cannot be changed. Workers are informed during induction program of all allowances and deductions.*

vi. Review of contracts (4 sets: 2 signed in country of origin and 2 upon arrival in the factory) revealed mismatch in signature of same worker on all 4 documents. Such instances were found in documentation for 60% of sampled workers. Such mismatch in signature was also found in contracts remade due to change in name of factory from Richfield Tang knits to RT Knits.

#Ref to picture below pertaining to one sampled worker.

*Factory Management stated that HR Team was not careful in monitoring signatures on employment documentation.*



vii. Contracts do not provide information on termination process prior to end of contact period. They do not specify conditions for payment of air travel cost to country of origin, when the worker does not complete the contract period (3 years) and if workers wish to use their leaves and travel to their country of origin within the contract period or any family emergencies in country of origin.

*Factory Management stated that return fare is paid by the company for all workers. (Documents related to payment were shared during the visit). Air travel is arranged*

*based on availability of tickets and cost of tickets. In such cases workers may be required to stay few days in the dormitories free of cost though they can resign from employment. From date of resignation, workers are not required to work and wages are not paid. Should workers wish to use their leaves and visit their family for short durations, one way air fare is paid by the factory and upon return, if workers continue to work for a period of 2 years, the return fare is reimbursed. At times, workers seniority and employment history is considered for re-imbusement.*

Risks identified –

i. Undocumented nature of actual job and actual payable wages on contracts, leaving workers with no option but to accept whatever job is assigned resulting in lesser wages as they have already travelled to the factory.

ii. Breach of contract when providing breaks.

iii. Undefined shift timings for multiple shifts leaving worker with no option but to work on assigned shifts.

iv & v. Lack of understanding and clarity for workers on calculation of wages and deductions. This may impact their decision to work in the factory.

vi. The contracts are not signed by workers themselves.

vii. Workers are required to stay back post resignation from employment until air tickets are made available at reasonable costs. This may be a risk for mental stress for workers who are waiting (with no earnings post date of resignation) to return home.

## II. Termination and Repatriation

### a. End of contract period (3 years)

- Workers are asked verbally if they wish to renew their contracts or terminate and return home. Those willing to renew the contract continue to work with renewed work permits and residence permit.
- Those opting to return home, are paid all dues and based on availability of flight tickets are sent back to country of origin.
- Written consent is not obtained for either of the above.

### b. Termination of employment prior to end of contract.

- Workers resign from employment or employment is terminated due to established misconduct.
- Factory pays dues to workers and informs them of possible days for availability of air tickets.
- Air tickets were arranged between 2 days to 35 days from date of resignation. Management stated that workers are allowed to stay in Dormitories free of cost until air tickets are arranged.

From review of documents for sampled workers, it was noted that date of resignation and last date of work was not recorded for all workers. Attendance record is not maintained with termination documents and hence actual date of termination of employment cannot be verified.



Management shared documented evidence for payment of air tickets for all sampled workers who left employment post end of contract, dismissed employees due to misconduct and those who resigned prior to end of contract period.

Air tickets are arranged by an agent who pays the airline in 'cash' and invoices the factory which in turn pays them on line in bulk within 30 days credit period.

Risk Identified -

- Not having a documented consent for renewal / termination of contract may not leave the worker with option to express themselves freely and confirm their decision.
- No fixed timeline for providing return air tickets could mentally harass workers who are forced to stay back though they wish to return. Living in dormitories with no work could be risk for mental stress for workers.

Reasons for termination as noted from documentation -

- Misconduct resulting in Disciplinary action
- End of contract.
- Family pressure to return back home.
- Marriage
- Ill health.
- Unhappy with pay amount received.
- Assigned jobs other than promised resulting in reduction of earnings.

### III. Hours of work

- Breaks as defined in contracts are not provided.
- Factory provides 45 minutes break against 80 minutes defined in the contract.
- Production in Dyeing section is planned for 10 hours (including 1 hour of Overtime) for shift A and 13 hours (including 3 hours of Overtime) for shift B.
- Shifts are rotated every week.
- Workers in shift B in Dyeing section work 3 hours of OT daily x 5 days = 15 hours a week against 10 hours per contract.
- Written consent is not obtained for overtime hours worked beyond 10 hours as per clause 6 (Extra Work) of the contract.
- Workers from Make-up section work up to 3 hours of overtime on 3 days a week and 4 hours on Saturday occasionally.
- Weekly working hours is up to 60 hours a week.
- OT work is assigned by Team leader based on production requirements.

Risk identified -

- Non provision of break duration as per contract
- OT work as a systematic practice.
- Long hours of work on all days in the week for shift B workers from Dyeing section.

### IV. Compensation -

Policy does not define the details of additional allowances paid. It states that deductions will be made as per legal requirements. It does not provide information on calculation and payment of bonuses that factory pays e.g. - Performance bonus, Quality bonus, Attendance Bonus and Production bonus.

Procedures do not define the wage period and timelines for payment and mode of payment.

Implementation:

- Factory pays wages defined by law.
- As required under clause # 4 .1.ii.(a) of contract, housing and food allowance is included in the wage of MUR 9875 that is required to be paid to workers every month
- Factory pays a basic wage of MUR 7116 + accommodation and food allowance of MUR 2640. However the amount of MUR 2640 is deducted from total earning. This implies that workers are actually paid only the basic wage as the accommodation and food allowance is paid and deducted. This practice is against clause 4(3) of contract because this deduction is not legally mandated. *Management stated that they pay MUR 1600 per worker every month to the canteen committee to manage expenses. The response was not convincing to justify the practice.*
- Local workers are paid MUR 85 per day when they work in night shifts towards meal allowance. The amount is not paid to migrant workers as free food is provided.
- Wage slips are provided in English. Translated copies in languages spoken by migrant workers are posted in all dormitories.
- Wages for 95% of employees are transferred to their bank accounts and for rest 5 %, wages are paid in cash. These 5 % are new workers for whom bank accounts are yet to be opened.
- Unused Earned leave is paid to workers every year.

Risk identified -

- Workers are not being paid complete wage as defined and agreed in the contract.
- Workers lack clarity and understanding of bonuses paid.

V. Grievance systems

Factory has a defined policy and procedure. Channels for reporting grievances are defined and effectively communicated through awareness programs and posters pasted in factory and dormitories.

Grievances reported are logged, investigated and action taken is documented.

Review of logs revealed complaints for quarrel between workers, verbal abuse by supervisor, not appreciated at work, miscommunication from supervisor for change in work, delayed opening of doors at work floors resulting on overcrowding, poor maintenance of toilets, supervisors complaining against poor work standard of workers, disturbance at night in dormitories by workers working in shifts.

VI. Workplace conduct and discipline.

Factory has written policies and procedures for Workplace Conduct and Discipline. Documented evidences are maintained to reflect action taken for misconduct. Workers sign on written warnings and suspension letters. They are allowed to freely discuss and be available for inquiry.

A letter to communicate decision of disciplinary proceedings is provided to workers. Employment of some workers was terminated due to misconduct.

#### VII. Freedom of Association

- Factory has a worker council where all workers are members.
- There is a union called Democratic Corporation Credit Union Ltd where approx. 20 % of local workers are members. Based on union directives, union fee is deducted from wages of these workers.

#### VIII. Health & Safety

- Production areas
  - Work areas are well lit and ventilated. Adequate exits that are prominently marked are provided from all work areas.
  - Workers are trained in evacuation procedures.
  - Evacuation drills are conducted twice every year in the factory and dormitories.

#### Areas Identified for Improvement as listed below:

- Ergonomics - Anti- Fatigue mats are not provided for workers with standing jobs except for few In Ironing and packing sections. Work stations are not adjustable in height to suit height of workers.
  - Evacuation direction markings are missing or faded in most areas.
  - Emergency Exit doors (push doors) are locked with multiple plastic tags restricting quick and easy opening of doors.
  - Emergency lights installed above exits and walkways are lights used for domestic purpose and are not industrial type of lights. Lights installed may not be effective in case of thick smoke from fire. Most lights were not functional when tested at random. The charge indicator was not lit up. *Management stated that all emergency lights are connected with a central back up and hence do not have individual batteries for charge indicator, However this statement does not appear to be true as charge indicator was functional on few lights that were working.*
  - Blocked passages in make-up section restricting free movement.
  - Visual alarms not installed in dyeing section / visual exit directions not installed to direct towards exits that no visible from all work areas due to tall machines used.
  - Stagnant water was seen on floors of Dyeing and Washing. This could cause injury from accidental slip falls.
  - Needle guards are pushed upwards by sewing machine operators rendering them Ineffective In preventing injury to finger of workers.
  - Eye shield not provided for button machine operators.
  - Auto lid locking arrangement not installed on dryer doors and hydro extractors to prevent opening of doors while drums are rotating thereby increasing the risk of injury to workers operating these machines when they try and pull out garments while drum is in rotation.
  - Adequate secondary containment not provided for chemicals stored in washing section.
  - Out let from eye wash station releases water on the floor.
  - Auto stop sensors not functional in 2 out of 3 auto layering machines.
- Dormitories
    - C, N. C. and W. dormitories located outside the factory.*
      - Inadequate living space provided to workers living in C., N. C. and W. dormitories.

- 4 to 24 workers in a room.
- Few rooms
- Inadequate storage space provided to workers. Most workers had their personal belongings (shoes, clothes, bags) out near or under their beds.
- Workers in each room contributed and purchased refrigerator for their use.
- Handles were missing on flush tanks in toilets.

*Management stated that they are in the process of relocating workers to a better dormitory and would take 2 to 3 months.*

#### Risk Identified

- Congested living area.
- Risk to health of workers as they sleep close to each other.
- *L. and R. dormitories located inside the factory compound*
- Cooks do not use nose masks, hand gloves and closed shoes. They were using cloth aprons.
- Food servers were not using nose mask and hand gloves while handling food.
- Emergency lights installed are used for domestic purpose.
- Gas detectors are not installed near gas tank and gas usage area in kitchens.

#### Risk identified

- Not using nose mask can contaminate food in case the cooks / food handlers sneeze.
- Cloth aprons and open shoes used by cooks may not effectively prevent burn injuries in case of accidental spill of hot oil or water while cooking.
- Non availability of gas detectors may prevent early warning of possible gas leaks and fires.

#### d. Worker/Supervisor Interviews -

80 workers were interviewed on site and 5 were interviewed in the dormitories during the visit to the dormitories.

- Bangladeshi workers - 35 [15 female and 20 male - 5 individual + 5 workers x 6 group interviews.
- Indian workers - 20 [5 female and 15 male] - 5 individual + 5 workers x 3 group interviews.
- Sri Lankan workers - 10 [4 female and 6 male] - 4 individual + 3 workers x 2 group interviews.
- Malagasy workers - 10 [3 female + 7 male] - 4 individual + 3 workers x 2 group interviews.
- Mauritian workers - 10 [3 female and 7 male] - 4 individual + 3 workers x 2 group interviews

Workers were interviewed in groups as well on individual basis. It was noted that most were not comfortable being interviewed on individual basis. Workers were selected at random, escorted by Investigator to interview room and dropped back at their workstations post interview. Interviews were conducted in a closed room post checking of room for hidden cameras and monitoring movements outside the room.

Supervisor / Team leaders' interview -  
Total of 10 supervisors and 6 team leaders were interviewed

3. Closing meeting  
Post completion of investigation, the Investigator had a closing meeting with factory management comprised of -
  1. CEO
  2. COO
  3. Administration Manager
  4. Head of Department – Compliance
  5. Senior HR Officer (Recruitment and Hiring)

## **H. CONCLUSIONS AND RECOMMENDATIONS**

The Investigator would like to thank FLA, Brands and factory management for their collaboration and support throughout the investigation process.

Factory management provided full access to all work areas, dormitories, documentation and for private and confidential interviews with workers and supervisors and were cooperative and transparent in sharing information as requested.

**Allegation A: i. 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.**

**ii. In addition to the above, investigate information provided to FLA by the Brands concerning worker complaints submitted to government authorities, as well as related communications with labor and civil society organizations and other parties concerning the issues raised in those**

**FLA Benchmarks:** F.11 Employment Fees: Fees and other costs associated with the employment of workers, including migrant/contingent/contract/temporary workers, shall be the sole responsibility of the employer.

### **Conclusion**

i. Adequate evidence was available to demonstrate that the factory pays for the return airfare for workers who leave employment. From the list of workers who left employment in past 12 month, 25 workers from all nationalities were selected at random and adequate documentation with proof of payment by factory for the air tickets was reviewed.

Investigator concludes that this allegation is without merit.

ii. No such information / communication was made available to Investigator.

**Allegation B: Verbal abuse and other harassment of workers by Factory supervisors/managers.**

### **Conclusion**

There was no evidence found to suggest or suspect any form of verbal abuse of workers. Workers interviewed both onsite and offsite were satisfied with management practices.

Trainings are conducted for Workers, Supervisors and Managers on workplace behavior and conduct. The production office and COO offices are located on the production floor in make-up section and have full view of the production floor.

Investigator is satisfied with the existing management practices and overall working environment and found this allegation invalid.

However, Investigator has identified a **potential risk of harassment** linked to the existing termination practice and would like to underline that, per factory's current practice, when a worker leaves employment, factory arranges for their return air ticket. Factory tries and gets cheaper fares for which workers have to wait for few days. This could build up mental stress for workers eagerly waiting to return home. Workers are allowed to stay in the dormitory free of cost and are provided food.

**FLA Benchmarks:** H/A.1.1 Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment and abuse, including that which is gender-based.

H/A.1.2 If not provided under law, employers must provide protection to workers who allege harassment or abuse violations. H/A.1.3 If not provided under law, employers must provide protection to workers who are victims of domestic violence.

### **Recommendation**

Factory could define reasonable timeline for arranging return tickets to workers upon leaving employment. The timelines should be included in terms of employment and communicated to workers effectively.

### **Allegation C: Mandatory and involuntary overtime**

#### **Conclusion**

Production in Dyeing section is planned for 10 hours (including 1 hour of Overtime) for shift A and 13 hours (including 3 hours of Overtime) for shift B. Shifts are rotated every week.

This implies that workers need to work overtime to complete the shifts indicating mandatory overtime work. Written consent is not obtained from workers for the overtime work because the additional hours are included in the shift.

**FLA Benchmarks:** HOW.6 Maintenance of Reasonable Levels of Staff Employers' personnel practices shall demonstrate an effort to maintain a level of staffing that is reasonable in view of predictable or continuing fluctuations in business demand.

HOW.8.2 All overtime work shall be consensual, and employers shall enact a voluntary overtime system, including for overtime utilized in exceptional circumstances.

#### **Recommendation**

Production planning should be based on regular hours of work and does not include regular overtime. Rotation of workers for shift working should be planned in a way that workers should not need to work overtime to complete the shift.

#### **Conclusion**

Workers in shift B in Dyeing section work 3 hours of OT daily x 5 days = 15 hours a week against 10 hours per contract. Written consent is not obtained for overtime hours worked beyond 10 hours as per clause 6 (Extra Work) of the contract.

**FLA Benchmark:** HOW.8 Forced Overtime HOW.8.1 Employers shall not require or permit workers to work more than the overtime hours allowed by the law of the country where the workers are employed. (**Legal reference** - The Employment Rights Act 2008 (the Act) - 3.2 Overtime The general principle is that a worker is to be given a 24-hour notice before s/he undertakes overtime work (see §16 of the Act).)

### **Recommendation**

Contracts are vetted by the government which implies that all terms of employment recorded in the contract are required to be followed. Overtime work should not exceed hours recorded in the contract. Written consent should be obtained prior to working overtime.

### **Conclusion**

Workers from Make Up section work up to 3 hours of overtime on 3 days a week as a systematic practice and 4 hours on Saturday occasionally.

**FLA Benchmark:** HOW: Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.

### **Recommendation**

Overtime work should not be continuous/systematic and should be only allowed based on occasional requirements.

### **Allegation D: Corruption and bribery practices, including by requiring workers to pay management personnel for better work assignments/tasks in the Factory.**

### **Conclusion**

Based on interviews with workers, supervisors and production manager, work assignments are based on production requirements and skill of workers. Workers had no complaints. There was no indication to suspect corruption or bribery practices; therefore this allegation is dismissed by Investigator.

### **Allegation E: Lack of effective access to remedy through the Factory's grievance system.**

### **Conclusion**

Per current practice, workers report grievances through their team leaders who in turn report to HR team. Opportunity for workers to approach HR team directly is restricted due to language barriers between workers and management. Grievances reported directly to HR staff are forwarded to team leaders for review.

There could be a risk of team leaders concealing grievances. Procedures require use of a 3<sup>rd</sup> person (team leaders) which workers may want to avoid in certain instances.

Lack of channel for direct reporting by avoiding involvement of team leaders may discourage workers from reporting concerns which could be against team leaders or any other reason. Review of log of grievances reported and from interview with workers, workers appeared to be satisfied with management practices. Logs maintained list grievances reported, identification of root cause and action taken.

**FLA Benchmark:** ER.17.1 Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.

### **Recommendation**

Factory management should have adequate staff who speak languages for all nationalities of workers to allow for direct interaction with workers.

### **Allegation F: General health and safety issues, including inadequate living conditions in the dormitories.**

### **Conclusion**

From tour to production areas and visit to dormitories it was observed that work areas are well maintained, well ventilated and lit. No critical HSE concerns were noted.

Living standards (ventilation, living space, in house facilities, toilets) in dormitories owned and located inside the factory compound were better than those accommodations that were located in private buildings leased by the factory.

Management shared that they have plans to relocate workers from privately owned accommodations to better accommodations within upcoming months.

### **Recommendation**

Until the workers housed in privately owned accommodations are relocated to better locations, factory could ensure additional monitoring of facilities provided.

### **Allegation H: Information pertaining to alleged payments made by migrant workers of recruitment fees in both their countries of origin and in Mauritius.**

### **Conclusion**

From information gathered, workers denied paying any recruitment fees to recruitment agents in country of origin or in Mauritius. 70% of sampled workers from Bangladesh interviewed stated that they paid some money to local village contacts to ensure they get selected for interview by the agent in Bangladesh. These workers also paid for their medical examination as was instructed by the agent and required for recruitment.

All migrant workers sign a confirmation letter stating that they did not pay any fee for recruitment. Management stated that they ask workers if any payment was made to agent to confirm any malpractices by agents.

Management shared that they can monitor their agents but cannot monitor sub agents or contacts at villages of workers.

**FLA Benchmark:** F.11 Employment Fees - Fees and other costs associated with the employment of workers, including migrant/contingent/contract/temporary workers, shall be the sole responsibility of the employer.

### **Recommendation**

The agents need to have a system in place to ensure that subagents or contact at village levels do not charge a fee. Factory may try and move a step deeper to identify and track the process followed by agents when they contact workers from villages.



## **Additional Issues**

In addition to the above allegations, during the investigation process and from review of documentation and visual observations, Investigator had some additional findings which may not necessarily be related to the allegations. These are listed below as indicators to avoid future concerns:

### **1. Hours of work**

#### **Finding**

Breaks as defined in contracts are not provided. Factory provides 45 minutes break against 80 minutes defined in the contract and as legally required. As the 80 minutes duration is agreed per signed contract, this should be provided

**FLA Benchmark HOW.3 Meal and Rest Breaks** Employers shall provide reasonable meal and rest breaks, which, at a minimum, must comply with national laws

**LEGAL REFERENCE - 3.4 - Meal and Tea Breaks** - An employer is required to provide to a worker (a) a daily meal break of one hour not later than four consecutive hours of work and (b) a tea break of at least 20 minutes daily or two tea breaks of at least ten minutes each daily. However these may be agreed otherwise by the employer and the worker (see §18 of the Act)

#### **Recommendation**

Factory needs to ensure that breaks as defined in the contract are provided.

### **2. Recruitment and Hiring**

#### **Findings**

- i. Factory policies and procedures on Recruitment and Hiring do not provide complete information on practices that are followed while recruiting and hiring foreign migrant workers. Step by step procedure should be defined for clarity.
- ii. Use of recruitment agents is not systematically reviewed each time they are engaged. There are lapses use of recruitment agent from India and Bangladesh.
- iii. Workers are made aware in country of origin on nature of work, wages that will be paid, accommodation and food facilities however information on deductions that will be made from wages, calculation of bonuses and compensation for overtime work is not communicated.
- iv. Workers sign on government vetted contracts that are in English and a translated version in their language based on country of origin. Workers are hired from multiple regions from India and not all speak the language "Hindi" though they sign the contracts. This is a risk for miscommunication.
- v. All sampled workers interviewed were aware of basic terms of employment like nature of work, wages that will be paid, accommodation and food. They lack awareness on leaves, deductions that will be made from wages, calculation of bonuses that are paid and calculation of compensation for overtime hours worked. They stated that they do not read the complete contract and review each and every term of employment as they are more excited to travel and work in a foreign country with expectation of good earnings when compared to their country of origin.
- vi. While workers are verbally promised appropriate jobs based on their skill levels during interview in country of origin, contracts do not define the job and instead states "Sewing machine operators" for all workers with similar wage amount recorded. For Example - a fork lift vehicle operator, Dyeing / knitting/ washing/cutting machine operators are

hired as sewing machine operator based on which their work permit is issued by the government.

- vii. Information on termination of contract prior to completion of contract period is not defined or communicated to workers.
- viii. Documentation pertaining to termination of employment like missing dates on resignation letter signed by workers, non-availability of attendance report with calculation document to verify last date of employment, missing / incorrect information on reasons for leaving employment, missing check list of terminal dues that is required to be paid to workers leaving employment.

**FLA Benchmark - ER.1.1** Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.

#### **Recommendations**

Factory needs to revisit their written policies and procedures to ensure that there is transparency and clarity on procedures followed.

Legal documentation of recruitment agents should be periodically reviewed. Employment terms should provide information on all aspects from recruitment to termination of employment. Information should be in a language workers read and understand.

### **3. Compensation**

#### **Findings**

- i. Deduction of accommodation and food allowance from wages of migrant workers is not justified as this allowance is part of wages that is payable as per contract. Contract requires provision of accommodation and food free of cost.
- ii. Deduction of the allowance Indicate non-payment of promised full wages.

**FLA Benchmark - ND.13.2** Workers shall not be required to reimburse the factory for the cost of these accommodations.

#### **Recommendation**

Factory needs to revisit the practice and ensure complete and full wages are paid to workers with no deductions from accommodation and food.

### **4. Health and Safety**

**Findings:** Findings pertaining to health and safety are listed under 'VIII' on page 19

**FLA Benchmark:** HSE.30 Health, Safety & Environmental Management System, Policies, Procedures HSE.30.1 Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.

#### **Recommendation**

Factory needs to improve on training of employees for implementation of health and safety parameters and introduce a system for periodic monitoring of implemented standards.

## **I. OVERALL OBSERVATIONS**

As reflected above, Investigator appreciates that he was able to engage effectively with both factory management and workers in the course of investigating the allegations presented. Management was transparent and cooperative throughout the investigation. By and large, workers appeared to be content with practices in the factory.

Based on the information collected and analyzed, some prior to the factory visit and then in the course of document review and meetings while there, Investigator generally found little evidence to support most of the specific allegations conveyed to him by the brands. This is reflected in the findings set forth above at pages 21-24.

At the same time, and as also noted above, Investigator has identified some shortcomings with respect to worker-management communication and lack of awareness concerning some important aspects of the employment relationship -- such as policy and procedures related to recruitment and hiring, compensation, and termination.

Therefore, while from the investigative process it appears that management systems are generally in place, there is scope for improvements in communication, documentation, and implementation, especially pertaining to terms of employment practices. For example, it would be best to specify the actual nature of jobs migrant workers are hired for with wages that would be paid for each nature of job verses generalizing with only one nature of job defined and wage that would be paid as recoded in signed contracts. Adequate clarity and transparency in employment practices would reduce risk of malpractices. And although the factory uses licensed recruitment agents, it is best to monitor actual practices adopted by the recruitment agents.

In addition to above-mentioned points related to the allegations reported to FLA and then shared with him, Investigator also identified several other risk areas pertaining to Hours of Work, Recruitment and Hiring, Compensation and Health & Safety topics – as described above at pages 25-26 in the Conclusions and Recommendations section.

As a result of all these observations taken together, Investigator recommends that the brands sourcing from RT Knits should convene and coordinate so as to assist their supplier in the preparation and implementation of a Corrective Action Plan (CAP) to address the issues listed in this report. Investigator further recommends that FLA follow up this process with those brands and, at the appropriate time, be prepared to post updates on the CAP implementation on its webpage.