

Final Summary Report: Shahi Exports Private Limited, Unit 26, India

Background

In November 2021, the Fair Labor Association (FLA) received a complaint from the Garment Labour Union (GLU), Bengaluru, alleging violations related to Freedom of Association (FOA), harassment and abuse, and health and safety at Shahi Exports Pvt. Ltd., Unit 26, located in Karnataka, India. The factory produces garments for Nike and other brands. The complaint highlighted concerns about noncompliance with FLA's Workplace Code of Conduct and Compliance Benchmarks. Based on this complaint, the FLA conducted an investigation in 2022.

Key Findings

The 2022 investigation confirmed the following noncompliances with the FLA Workplace Code of Conduct:

- **Freedom of Association:** Workers lacked effective representation; allegations of management interference and discouraging behaviour toward union activity.
- **Harassment and Abuse:** Reports of verbal abuse, humiliating language, and disrespectful treatment by supervisors; grievance channels were underutilized or viewed as ineffective.
- **Health and Safety:** Gaps in risk assessment, restroom access, and transportation arrangements for women workers; inconsistent monitoring of safety procedures.
- **Worker Committees and Training:** Committees existed but lacked effectiveness, representation, and clarity of roles; supervisors and managers had limited training on respectful communication, misconduct prevention, and grievance response.

The FLA issued recommendations for remediation across FOA, harassment and abuse, health and safety, and committee strengthening.

Engagement and Follow-Up (2022–2024)

From December 2022 through 2024, FLA engaged with Nike, GLU, and Shahi management on the implementation of recommendations. Activities included reviewing FOA systems, committee performance, health and safety practices, and grievance redressal mechanisms. Worker feedback was collected through NGO support.

- **December 2022–October 2023:** Initial follow-up focused on union recognition, grievance mechanisms, health and safety, and committee functioning. Digital satisfaction survey in November 2023 (1,000 workers) showed improved awareness and satisfaction across FOA (94–96%), grievance handling (94–98%), committee functioning (96%), and health and safety (97%).

- **2024:** Meetings between Shahi management and GLU occurred on March 6, July 31, October 24, and December 9. Training and capacity building for committees and supervisory/management staff continued, including STITCH, SANDBOX, Work Ethics programs, and ILO Better Work follow-up. External monitoring and refresher training were scheduled. Reported incidents, including a July 2024 worker injury and a death linked to harassment, were addressed as part of ongoing risk management.
- **Mid-2024:** Original worker leaders left GLU and formed the Karnataka Independent Garment Workers Union (KIGWU). GLU noted it could no longer verify worker-level progress and recommended direct engagement with KIGWU. KIGWU was unresponsive to FLA outreach efforts. FLA will continue to try and engage with KIGWU in the future.

Remediation

Shahi and Nike reported that all recommended remediation areas were addressed:

- **Freedom of Association:** FOA policy and SOP developed; worker orientations conducted; committee roles clarified; continued engagement with unions.
- **Harassment and Abuse:** Grievance toolkit implemented; POSH policy updated; trainings for all workers; strengthened oversight of grievance handling.
- **Health and Safety:** Revised H&S policy with annual review; risk assessment tools in use; improved restroom access and transportation arrangements; corrective actions completed.
- **Worker Committees & Training:** Committees re-elected (Dec 2023); committee members trained (Jan 2024); supervisors and managers trained on respectful communication, GBVH prevention, and grievance handling through STITCH, SANDBOX, and other programs.

Specific Actions Taken (Verified Through Documentation)

- FOA SOP finalized; ongoing worker awareness; periodic union engagement.
- Supervisory and management training programs completed.
- Digital grievance systems and monitoring functioning.
- Health and safety risks addressed; regular assessments in place.
- Committee elections completed and functioning restored.
- Worker satisfaction improvements confirmed by digital survey data

Status and Monitoring

FLA has reviewed documentation from Nike and Shahi, including training records, SOPs, committee election and functioning records, health and safety assessments, and external survey results related to the remediation plan. FLA closed the investigation in the first quarter of 2025.