Year in Review

2018-2019

THE STAFF



10 US STAFF



13
OVERSEAS FIELD
REPRESENTATIVES



21
LANGUAGES SPOKEN

Investigations 2018-2019

Our Impact by the Numbers

2018-2019



factory cases

53



70,100

workers impacted



16

countries

Licensees
Sourcing from
Factories
Assessed by
the WRC

289C Accolade Group adidas Alta Gracia Apparel Ash City Badger Sportswear Charles River Apparel Columbia Sportswear Fanatics Hanesbrands (GFSI, Knights Apparel) Image Source League Collegiate Wear MV Sport (To the Game and American Threads) New Agenda New Era Cap Company Nike Ohiopyle Prints Peter Millar Russell Under Armour Vetta Brands (J. America, Top of the World) Vive La Fete Zephyr Headwear

FACTORIES ASSESSED

Dominican Republic Alta Gracia Arvind Lifestyle Apparel Ethiopia Avery Dennison India CSA Guatemala Guatemala Delta Apparel Honduras Direct Ship America Honduras GH Haewae Bangladesh Hetian Taida China Horizon Outdoor Cambodia El Salvador LD Ethiopia Jay Jay Textiles Jerzees Nuevo Dia Honduras JP Textile Ethiopia Ethiopia JS International Guatemala El Salvador Konffetty Bangladesh KT Embroidery El Salvador League Central America MAA Garment and Textiles Ethiopia India Maral United States New Era North Star Manufacturing Thailand Posmi Sweaters Bangladesh Premium Apparel Haiti Indonesia PT Gaha Green PT Kahoindah Citragarment (Bekasi) Indonesia PT Liebra Permana Indonesia RKI Honduras Shahi Exports India Shine Embroidery Bangladesh Texwell Vina Vietnam

KONFFETTY
VIVE LA FETE
(EL SALVADOR)









VIVE LA FETE (VLF)



Florida-based university licensee marketing hand-embroidered collegiate and non-collegiate children's wear.

Both firms historically controlled by family of same Salvadoran businessman and politician.

KONFFETTY

Garment factory in El Salvador, supplier to Vive la Fete.

INDUSTRIAL HOMEWORK

KONFFETTY HAND-SMOCKED GARMENTS EMBROIDERED BY RURAL SALVADORAN WOMEN WORKING IN THEIR HOMES FOR FACTORY'S LABOR SUBCONTRACTOR



INDUSTRIAL
HOMEWORK
NOT PROHIBITED
BY SALVADORAN
LAW OR
UNIVERSITY CODES



BUT
HOMEWORKERS
HAVE SAME LEGAL
RIGHTS
AS OTHER
WORKERS



ALSO
SPECIFIC LEGAL
REQUIREMENTS FOR
COMPANIES
EMPLOYING
HOMEWORKERS



WRC FINDS

KONFFETTY
IGNORED AND
VIOLATED
HOMEWORKERS'
RIGHTS AND OWN
OBLIGATIONS





SEVERE WAGE THEFT

Average Piece Rates = \$0.41/hour

(33% of Minimum Wage)

No Extra Pay for Overtime



DENIAL OF LEGAL BENEFITS

Company refuses to enroll homeworkers in public healthcare and retirement programs



RETALIATION FOR ASSOCIATIONAL ACTIVITY

Company stops assigning piecework to homeworkers who join Salvadoran women's rights group

FINDING: IMPACT OF WAGE THEFT ON AVERAGE KONFFETTY HOMEWORKER



Nonpayment of legal minimum wage

\$4,150

Nonpayment of overtime

\$2,430

Non-contributions for healthcare, retirement

\$1,170

Statutory leaves, bonuses, waiting time

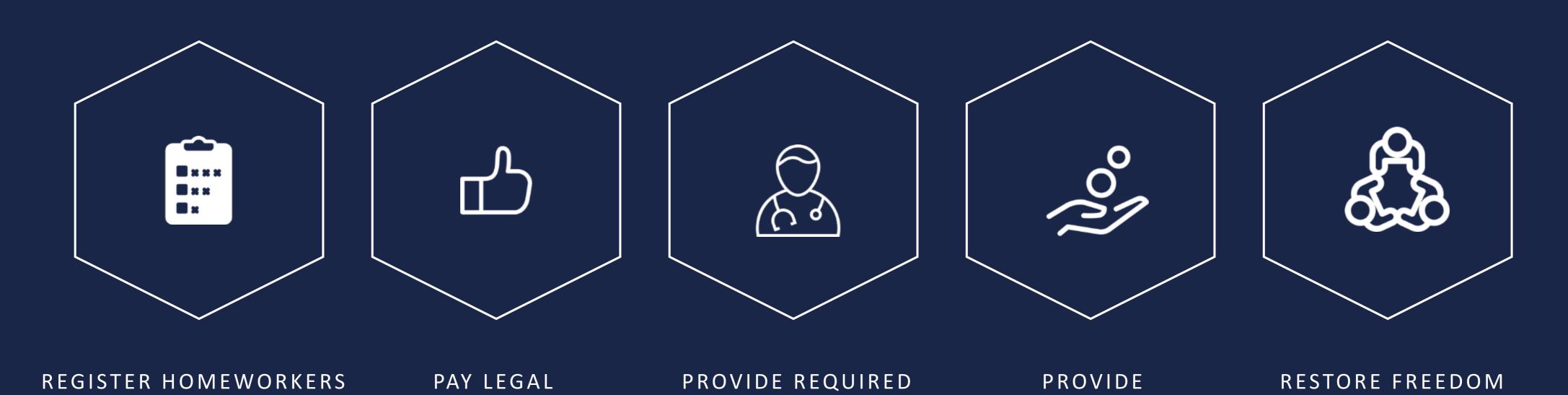
\$560

Total average underpayment:

\$8,310 per homeworker

KONFFETTY / VIVE LA FETE

CORRECTIVE ACTIONS NEEDED TO REMEDY UNIVERSITY CODE VIOLATIONS FOUND



HEALTHCARE AND

RETIREMENT BENEFIT

BACKPAY

OF ASSOCIATION

WITH LABOR MINISTRY

MINIMUM WAGE

KONFFETTY / VIVE LA FETE RESPONSES TO UNIVERSITY CODE VIOLATIONS

AUGUST 2017

WRC Shares findings of legal violations with Konffetty

Konffetty claims labor laws don't apply to homeworkers

SEPTEMBER 2018

WRC releases report to universities

VLF CEO requests more discussions with WRC

MARCH 2019

WRC notifies schools that VLF refuses to correct violations

APRIL 2017

WRC contacts Konffetty re: homeworkers' complaints

Konffetty claims does not use homeworkers

SEPTEMBER 2017 - MAY 2018

VLF lawyers and WRC discuss for corrective actions

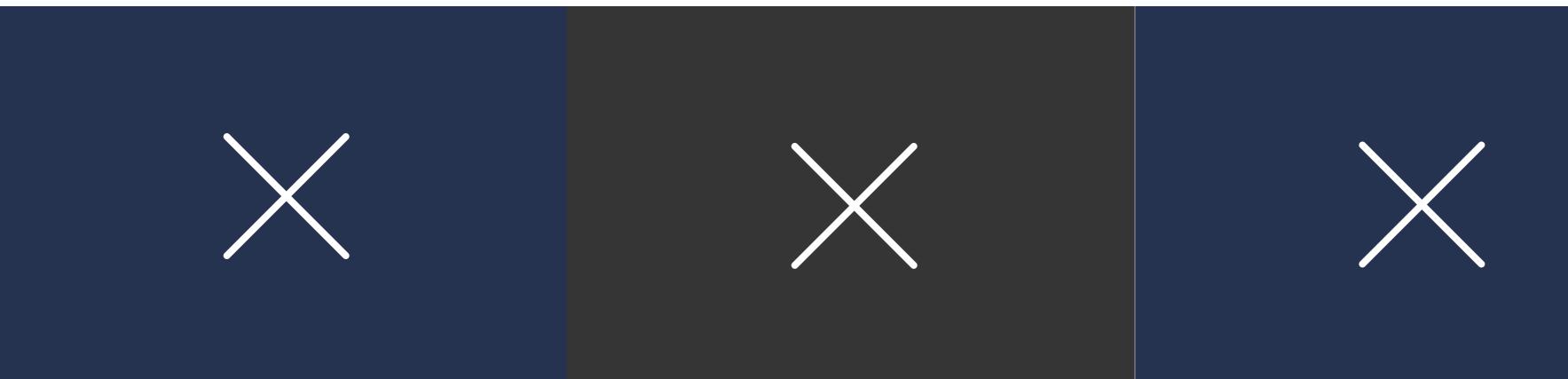
VLF reneges on commitments

OCTOBER 2018 – FEBRUARY 2019

WRC discusses necessary corrective actions with VLF CEO

VLF refuses minimum remediation

VIVE LA FETE'S JUSTIFICATIONS



CLAIMS WORKERS
SHOULD HAVE
WORKED FASTER

CLAIMS WORKERS
WERE WRONG ABOUT
PAY LEVELS

CLAIMS THAT
REGISTERING THE
WORKERS WILL LEAD
TO EXCESSIVE
GOVERNMENT
REGULATION

CLAIMS OF FINANCIAL INCAPACITY

IN EFFECT, VIVE LA FETE IS SAYING:

WE CAN'T OPERATE IF YOU MAKE US COMPLY WITH THE LAW.



League Central America



WAGES AND HOURS OF WORK

Forced participation in study programs for up to 25 hours/week; illegal pay deductions; retaliatory firings



RELIGIOUS FREEDOM

Obligatory participation in morning prayers



VERBAL ABUSE

Managers and supervisors shouting insults, threats, vulgarities at workers



Gay and transgender workers fired after being denounced by managers as "deviants" and "the devil." Management publicly celebrates their termination as "a blessing" for the factory



OCCUPATIONAL HEALTH

Excessive heat

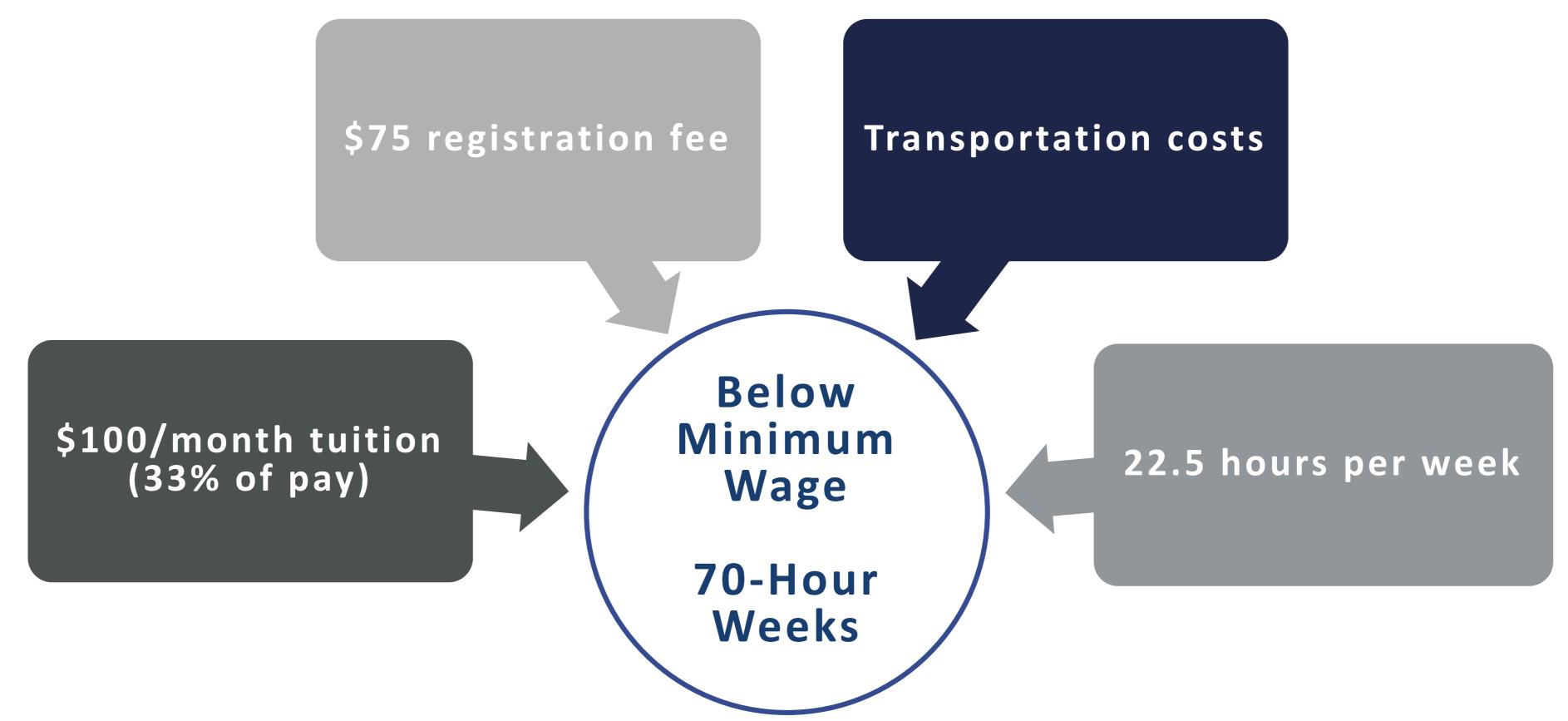
WRC INVESTIGATIVE FINDINGS

Announcing COLLEGE DEGREE PROGRAMS at League Central America



A good idea, implemented with little regard for workers' actual needs and preferences...and in violation of the law.

THE COST TO WORKERS OF THE UNIVERSITY PROGRAM





"Of 100 people in the program,
40 or more would rather not
continue...It is not because we
don't want to study...but it is
very expensive, and we have to
take care of our families."



"If we said we wanted to stop,
I am sure that they would fire
us....No one has brought this
up because everyone is afraid
of losing their jobs."



"We pay \$100 a month [for tuition] and our wages aren't sufficient...There are workers with several children, and I have no idea how they do it... they only have \$20 left in a paycheck."





WAGES AND HOURS

OF WORK

REMEDIATION

Mandatory, unpaid English classes were discontinued. Workers received back wages for the time spent in class (\$40,000).

Workers in university program received reimbursement for tuition (\$65,000 total).

Educational programs are now voluntary.

REMEDIATION

Management-led prayers have been discontinued at LCA.



RELIGIOUS FREEDOM



VERBAL HARASSMENT AND ABUSE

REMEDIATION

LCA communicated to managers and supervisors that verbal harassment and abuse will not be tolerated.

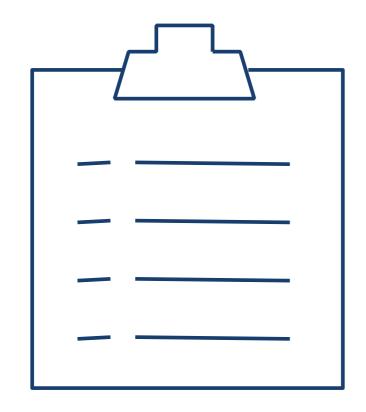
Third party consultant approved by WRC conducted trainings on harassment and abuse.

REMEDIATION

Factory paid back wages to gay and transgender workers who were fired (\$18,000) and agreed to rehire them.

Workshop on harassment and abuse included a component on gay and transgender rights and non-discrimination.





OCCUPATIONAL
HEALTH AND
SAFETY

REMEDIATION

Factory agreed to develop a plan to address the excessive temperature at the factory.

LCA did not agree to the WRC's "best practices" recommendation of a top-to-bottom health and safety assessment.



PT KAHOINDAH CITRAGARMENT TAMBUN-BEKASI (Indonesia)

PT KAHOINDAH CLOSURE/RELOCATION

PT Kahoindah Bekasi

2,000 Workers

Nike [Collegiate]
Fanatics [Non-Collegiate]

- Closed Oct. 2018 -

OWNER

Hojeon Ltd

Other Factories in Indonesia, Vietnam

PT Kahoindah Cakung

(Sister Factory)

[Non-collegiate]
Athleta (Gap)
Under Armour
Fanatics

- In Operation -



ALLOW WORKERS TO RELOCATE

If Worker Resigns Instead

Pay Ordinary Severance [average: \$2,000/worker]

DON'T ALLOW WORKERS TO RELOCATE

Pay Affected Workers

Double Severance

[average: \$4,000/worker]



PT KAHOINDAH CLOSURE/RELOCATION AUGUST 2018 – APRIL 2019

Company's Formal Offer to Bekasi

Workers:

Relocate to Cakung Plant or Resign with Ordinary Severance

August – October 2018
97% of Workers "Resign"

Dec. 2018 – April 2019

All Relocated Bekasi

Workers Resign or Fired

July 2018

Company Announces Bekasi Factory to Close **Workers' Unions Strike, Protest**

Demand Double Severance,
Job Relocation Commitments

October 2018

Bekasi Factory Closes,

Only 66 Workers Relocate

WRC INVESTIGATION DOCUMENTS HOJEON CAMPAIGN TO PUSH-OUT BEKASI WORKERS

DECEPTIONS

SUPERVISORS
REQUIRED
TO COMPEL,
TRICK
WORKERS
TO RESIGN

THREATS

"RESIGN NOW
OR
GET NOTHING"

RETALIATION

OVERTIME

PUNITIVE JOB
TRANSFERS

DENIAL OF

TERMINATION

HARASSED
BEKASI
WORKERS WHO
RELOCATED
AT CAKUNG

HOJEON'S RESPONSES



Workers'
Unions
"Agreed"



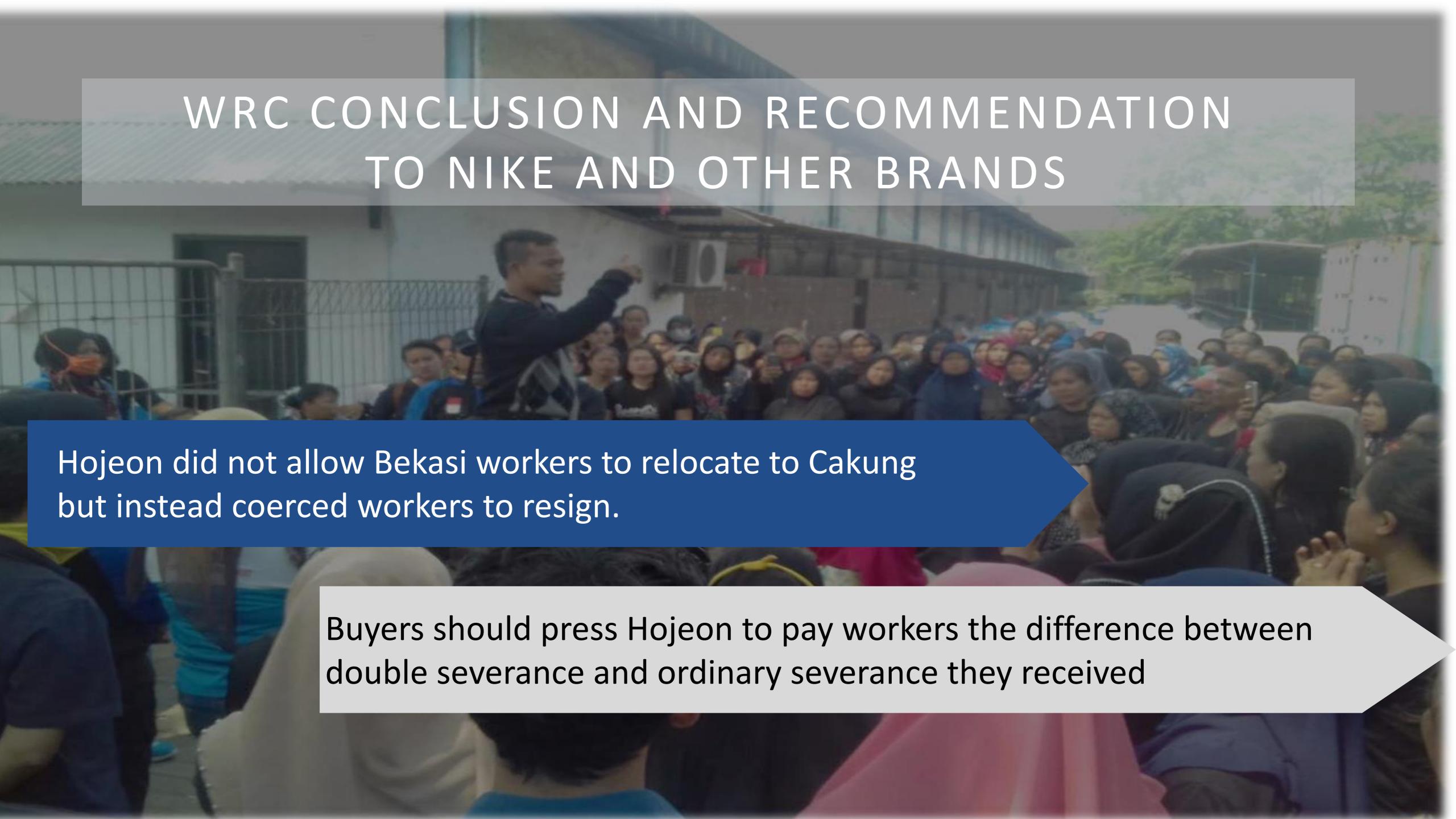
If Company
Violated Law
Unions Would
Have Gone
to Court



Workers
Resigned to
Get Severance
Quickly



Workers Have
Signed Letters
Denying Coercion



WRC and Nike Review the Issues

Nike argues...

Unions did not complain, so there cannot have been a violation of the law

Nike argues...

Better Work program (BW) gave factory a clean bill of health

Nike argues...

Solution is for Hojeon to conduct its own investigation

WRC advises...

Unions pursued complaints and held a strike

WRC advises...

BW accepted factory's claims without investigating

WRC advises...

It is Hojeon that broke the law

What is the WRC Asking Nike to Do?

Ask Hojeon to pay workers the money they are legally owed

Use its best
efforts to
persuade Hojeon
to do so

Set a positive
example for
Hojeon's noncollegiate buyers
to follow



Nike's Commitment to Licensors

"use its best efforts... to cause [suppliers] to remediate any violations identified by the WRC and/or FLA."

WHAT NIKE TOLD HOJEON

We are asking you to review the <u>claims</u> of our licensors' monitoring agent. You should pay the workers if <u>you</u> determine that you owe them money.





WHAT NIKE SHOULD TELL HOJEON

Our university licensors' monitoring agent has determined that you owe money to your workers. We are asking you to pay them.



Has agreed to press Hojeon to pay the workers

Response pending



Response pending



SHAHI EXPORTS

(Bangalore, India)

SHAHI EXPORTS

TOP GARMENT MANUFACTURER IN INDIA 50+ FACTORIES, 100,000+ WORKERS

Shahi's Unit 8 Factory (Bangalore)

College logo supplier to Columbia Sportswear, also produces for A&F, Benetton, H&M.

Other Shahi Buyers

Other Shahi factories supply American Eagle, C&A, Gap, Tommy Hilfiger, Puma, Uniqlo, VF, Walmart, Zara.

\$0.62/hour

Average wage for Shahi Unit 8
Factory's 3,000 workers.

May 2018: **WRC Investigates** Violence against **Shahi Workers**

"HR Staff assaulted 12 workers for joining a union ... two of them ... were severely injured" "Workers herded to warehouse ... where they were callously thrashed."

Local media in Bangalore presented conflicting views of violence at factory

HR staff booked for beating workers over joining union

Unit-8 took away the 12 facto- she was taken to hospital.

ma, a woman in her 40s, and for the factoryworkers of Shamment," Devaraj said.

Two of them - Thayam- held a general body meeting ees, which irked the manage-

a leading role in the union, to ke Germent Workers Union general manager, requesting played a leading role in the un-

them. The workers said they told DH that Ameen, the com- Since the GM clid not entertain

Ameen, a production writer hi Exports Unit-8. The work- The workers sent the letter The Madanayakanahal- - were severely injured in the ers mixed three major issues: to the management and to the i police said the HR staff of attack. Aworker said Thayam-drinking water, salary incre-labour department by regis-including Ameen, lodged a Shahi Exports Pvt Limited ma's spine was damaged and mentand transport facilities, teredpost. A few management complaint with the Madanay "The union drafted a letter staff on Wednesday morning akanahalli police after getting ryworkers, said to hove played. An activist of the Karnata- to the Shahi management's identified the workers who had first aid at a hospital

"[U]ndesirable elements in the workforce were trying to instigate ..." "The violence ... happened outside the factory" "Union leader ... filed a false complaint."

Assault on workers a group clash: garment firm

BENGALURU: Garment exporter Shahi has distanced itself from a recent incident of its staff beating up a group of workers, dubbing it a clash between two groups.

Citing a police FIR, DH on April 5 reported that the staff of Shahi Exports Unit-8 at Madanayakanahalli assaulted factoryworkers on April 4.

Responding to the complaint against the company



"You will be left to starve if the union is formed. The factory will then close down. There are some workers among you who are trying to stab you in your back. Beware of them."

INVESTIGATION REVEALS SHAHI MANAGERS, SUPERVISORS LED VIOLENT ASSAULT ON WORKERS

- Beatings, death threats, caste- and gender-based abuse, theft of personal items, expulsion of 15 workers.
- Supervisor called worker whose mother works at factory "son of a whore," threatened to send thugs to kill family, led beating.

Manager shouted, "These whores are trying to close the factory.

Beat her and kill her," worker beaten, clothes torn, jewelry stolen.



Terminate managers who directed violence

Commit to respect freedom of association, stop caste- and gender-based abuse

Make whole workers who were targets of violence

REMEDY VIOLENCE

RESTORE FOA RIGHTS Recognize and bargain with workers' union

June-July 2018
University Engagement,
Media Exposure Secures
Remediation of Violence,
Freedom of Association



Shahi required to:

- Terminate 5 managers who led violent attack in April.
- Reinstate, compensate, apologize to workers, affirm associational rights.
- Recognize workers' union, agree to monthly negotiations.

KEY OUTCOMES

WORKERS MADE WHOLE

Workers restored to jobs, fully compensated for losses and injuries

VIOLENT MANAGERS HELD ACCOUNTABLE

Factory managers held accountable for violence – a crucial precedent

FOA RIGHTS RESTORED

No further violence, retaliation vs. workers for associational activities

IMPROVED LABOR MANAGEMENT RELATIONS

Shahi management, workers' union, have monthly negotiations

BANGLADESH:

TACKLING THE BUILDING SAFETY CRISIS



ACCORD COVERAGE







193
signatory
brands

1,674
factories
covered

90% of safety hazards eliminated

employing 2.5 million workers

130,000+ individual issues identified

ACCORD COVERAGE OF COLLEGIATE SUPPLIERS





Y

10

licensees
have signed
the Accord

of the 13 sourcing from Bangladesh

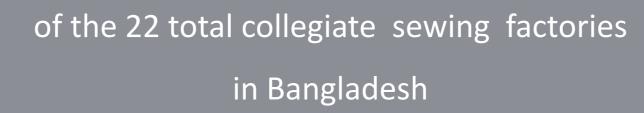
21

factories employing 32,000 + workers

92%

of safety hazards eliminated

1,400 individual issues identified





Collegiate Suppliers Covered by the Accord							
Factory Name	Licensee	% Renovation Completed					
Baek Doo Korea	Zephyr	79					
Base Textiles Ltd	Cutter and Buck	100					
BP Wears	Fruit of the Loom	88					
Dada Dhaka	Ahead, Adidas, Vetta, '47	96					
GAB Limited	New Agenda	91					
GMS Composite Knit Industries	Knights Apparel, GFSI	100					
Habitus Fashion Limited	Knights Apparel	100					
Han Apparel	Zephyr						
House of Caps& Clothing	W Republic	97					
Leeu Fashion Ltd.	Bruzer Sportsgear	98					
Lithee Apparels	Cutter and Buck						
Niagra Textiles Ltd	Cutter and Buck						
Nurani Dyeing & Sweater	Bruzer Sportsgear	67					
One Composite Mills Ltd.	Knights	91					
PNG (BD) Ltd.	Vetta, '47	81					
Ripon Knitwear Limited	New Agenda	100					
Saturn Textiles Ltd	Cutter and Buck						
SNV Stitches Ltd	Fruit of the Loom	90					
Supreme Stitch Ltd.	Knights	99					
UHM Ltd.	Cutter and Buck	85					
Uni Gears Ltd.	Outerstuff	96					
Collegiate Suppliers Not Covered by the Accord							
Unity Sweaters Ltd.	Traditional Craft						

LICENSEES THAT HAVE SIGNED THE ACCORD



ADIDAS



KNIGHTS



NEW AGENDA (by PERRIN)



AHEAD/ CUTTER & BUCK



ZEPHYR GRAF X



VETTA/TOP OF THE WORLD/J AMERICA



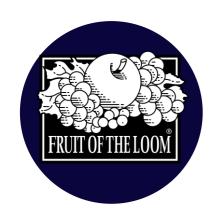
BRUZER



OUTERSTUFF



W REPUBLIC



FRUIT OF THE LOOM

LICENSEES THAT HAVE NOT SIGNED THE ACCORD



'47 Brand



GEAR FOR SPORTS



TRADITIONAL CRAFT



LARGE MAJORITY OF

NON GARMENT BUILDINGS REMAIN UNSAFE



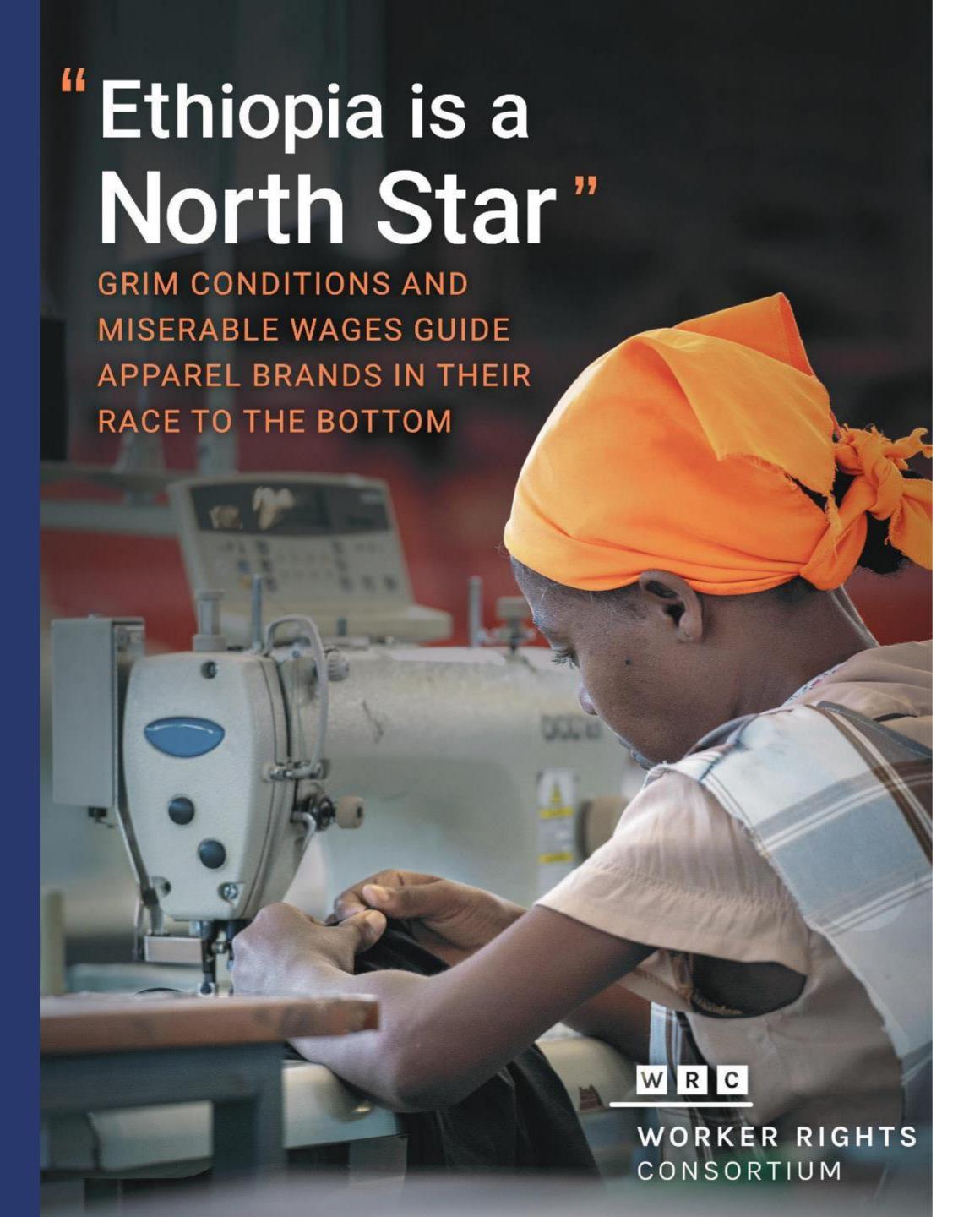
G O V E R N M E N T R E M A I N S

ILL-EQUIPPED



Between March and April 2019, at least 95 people died in preventable fires in buildings that are inspected and monitored by the government.





Ethiopia

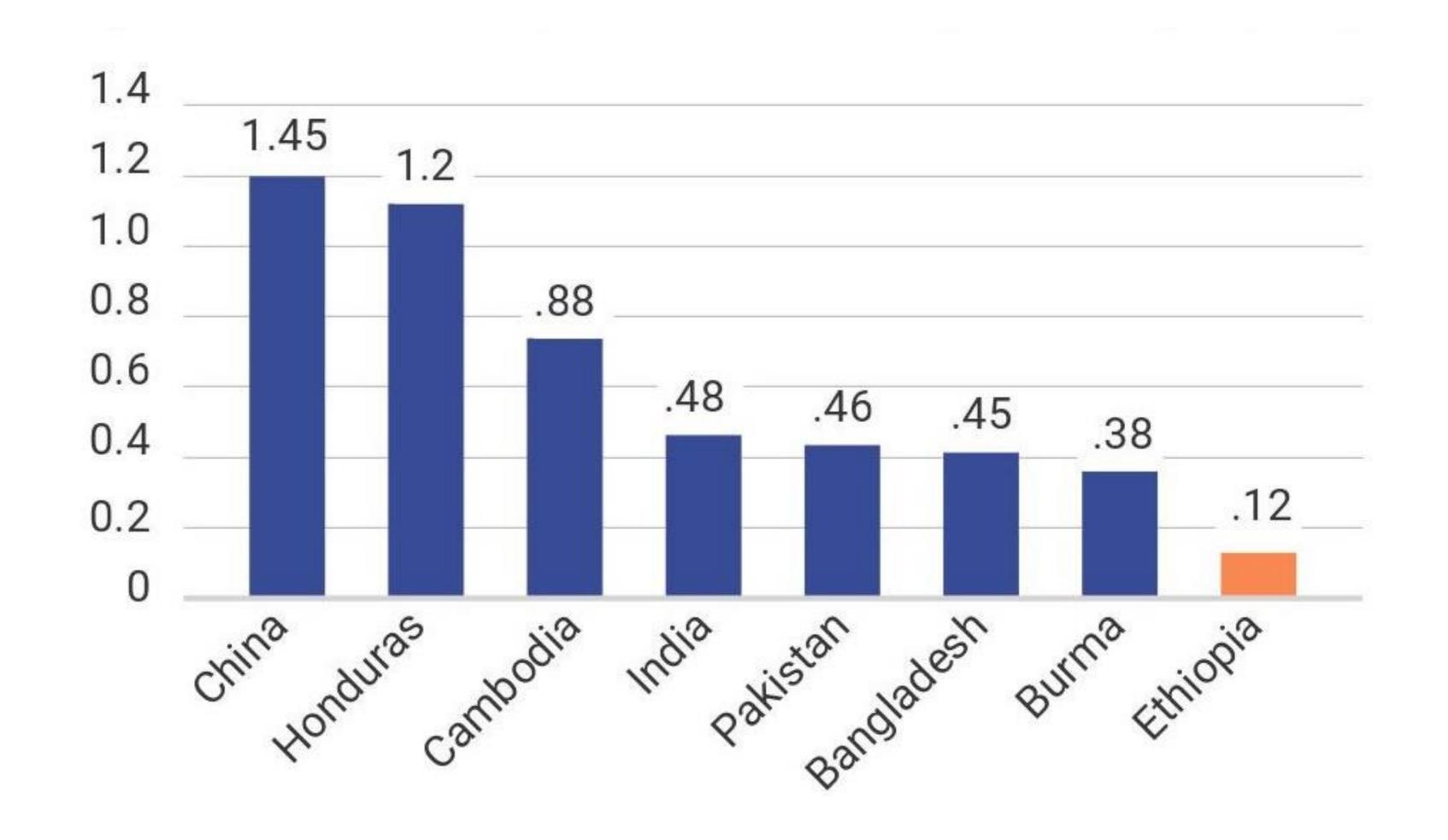
PVH's investment in Ethiopia's garment and textile sector "will show the world there is no conflict between companies doing well and companies doing right by the people, the community, and the environment they operate within."

- Bill McRaith, Chief Supply Chain Officer for PVH (speech at the inauguration of Hawassa Industrial Park)

SUMMARY OF KEY VIOLATIONS FOUND BY FACTORY

		MAA	ARVIND	JAY JAY	JP
Leading Apparel Brands Sourcing from Factory		H&M Walmart	PVH; H&M TCP; Gerber	H&M TCP	PVH
Wage & Hour Violations	Punitive Wage Deductions				
	Mandatory Overtime				
	Unpaid Overtime				
	Off-the-Clock Work				
	No Employment Contract				
Harassment & Discrimination	Verbal Abuse				
	Sexual Coercion				
	Pregnancy Discrimination/ Harassment				
Occupational Health & Safety	Fainting from Overwork				
	Restricted Access to Water/Restrooms				
	Unclean Restrooms				
	Contaminated Cafeteria Food				

HOURLY MINIMUM WAGE for garment workers by country compared to the lowest garment worker wage in Ethiopia (USD)



DRACONIAN WAGE DEDUCTIONS

Partial list of offenses and penalties codified in MAA's handbook:

- "Leaving work station and moving around without permission [or] standing and talking in hallways": 1 to 5 days' wages;
- Arriving "five to 30 minutes late without a sufficient reason":
 1 to 3 days' wages;
- "Being reckless with the factory's property and causing repairable damage": 5 to 10 days' wages.

VERBAL ABUSE

"they shout at us when we work too slow for them, which brings many of us to tears."

PREGNANCY DISCRIMINATION

"...workers reported that managers go so far as to touch and inspect the stomachs of prospective employees to check for signs of pregnancy. One worker, for example, reported that "they almost fired a girl with a big belly, because they thought she was pregnant."

OTHER PARTNERSHIPS AND PROJECTS



NORWEGIAN PENSION FUND

COUNCIL ON ETHICS



Genderbased Violence & Harassment in Lesotho

Nien Hsing Textile

A Leading global producer of denim clothing, operating in four countries and employing about 22,530 workers

Operates four facilities in Lesotho, employing 10,000 workers

Norges Bank a major investor



Culture of Gender-based Violence and Harassment



Common practice for managers to coerce workers into sexual relationships for jobs and more favorable terms of work



Female workers face
sexual harassment
from both managers
and coworkers



Management's tolerance
of sexual harassment
encourages acceptance
of harassment as the
norm



Lack of accountability
for managers creates a
culture of acceptance
and fear of reporting
among women workers

Many supervisors demand sexual favors and bribes from prospective employees. They promise jobs to the workers who are still on probationary contracts. ... All of the women in my department have slept with the supervisor. For the women, this is about survival and nothing else. ... If you say no, you won't get the job or your contract will not be renewed.

C&Y worker



Company-led and Internal Solution Cannot Address Culture of Sexual Harassment

Workers do not trust
management's resolution systems
because of past and current
actions

No independent monitoring exists
to ensure management treats
cases seriously and takes
disciplinary action

Nien Hsing's practices limiting
workers' freedom of association
increases workers' mistrust of
management, fueling fears of
retaliation for reporting



An Alternative Designed to End the Culture of Gender-based Violence at Nien Hsing

Binding and Enforceable Agreement

Nien Hsing's customers

commit to reaching

agreement with the unions

and NGOs to: 1) Condition

future business with Nien

Hsing's compliance and 2)

Fund the program

Establishment of an Independent Body

Comprehensive program to receive, investigate, and remedy complaints of sexual harassment and coercion

Extensive Education Program

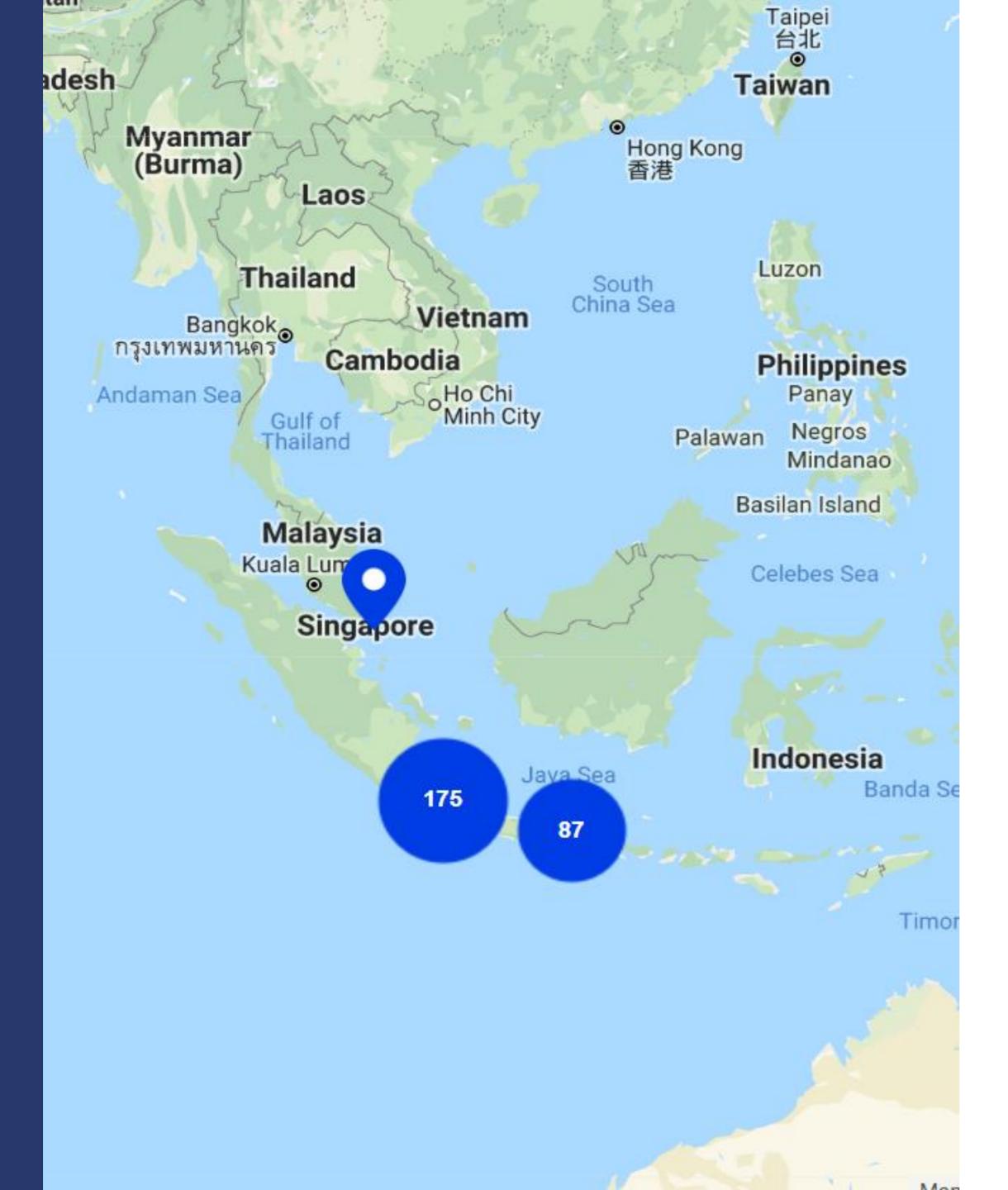
Education and training of employees and management on new code of conduct, the complaint mechanism, and disciplinary measures, including protections against retaliation



Unions and NGOs
Play a Central
Role

Unions (Independent Democratic Union of Lesotho,
National Clothing Textile Allied Workers Union,
United Textile Employees) and two NGOs
(Federation of Women Lawyers in Lesotho and
Women and Law in Southern Africa Research and
Education Trust) agree to negotiate together

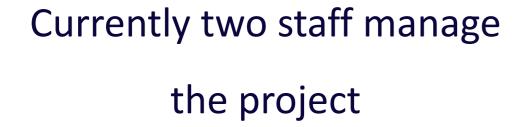
Identified US-based advisors: the Solidarity Center and Workers United

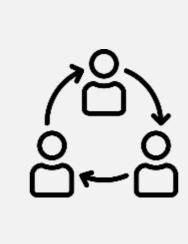


The Open Apparel Registry (OAR)

OAR Governance and Structure





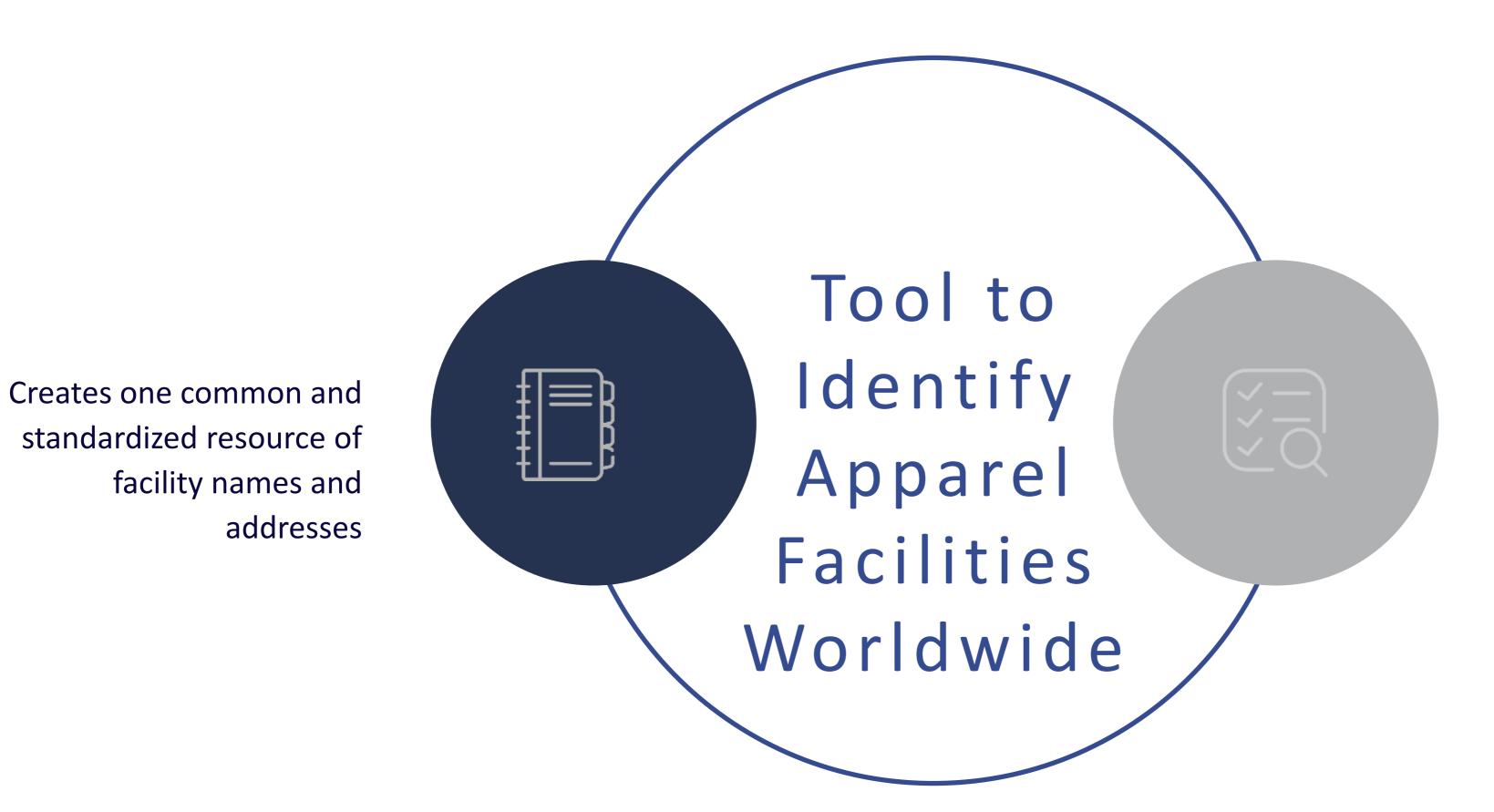


Eight member board with representation from nonprofit and corporate entities



OAR will become a nonprofit established in the US or Europe

What is the Open Apparel Registry?



Eliminates issues with matching across multiple, inconsistent databases

HOME

ABOUT

FAQs

API

CONTRIBUTE

SELECT LANGUAGE

Syria

Iraq

Saudi Arabia

Somalia

Yemen

Gulf of Aden

Mozambinue data ©2019 Google, INEGI

REGISTER

SHARE THIS SI

Kaza

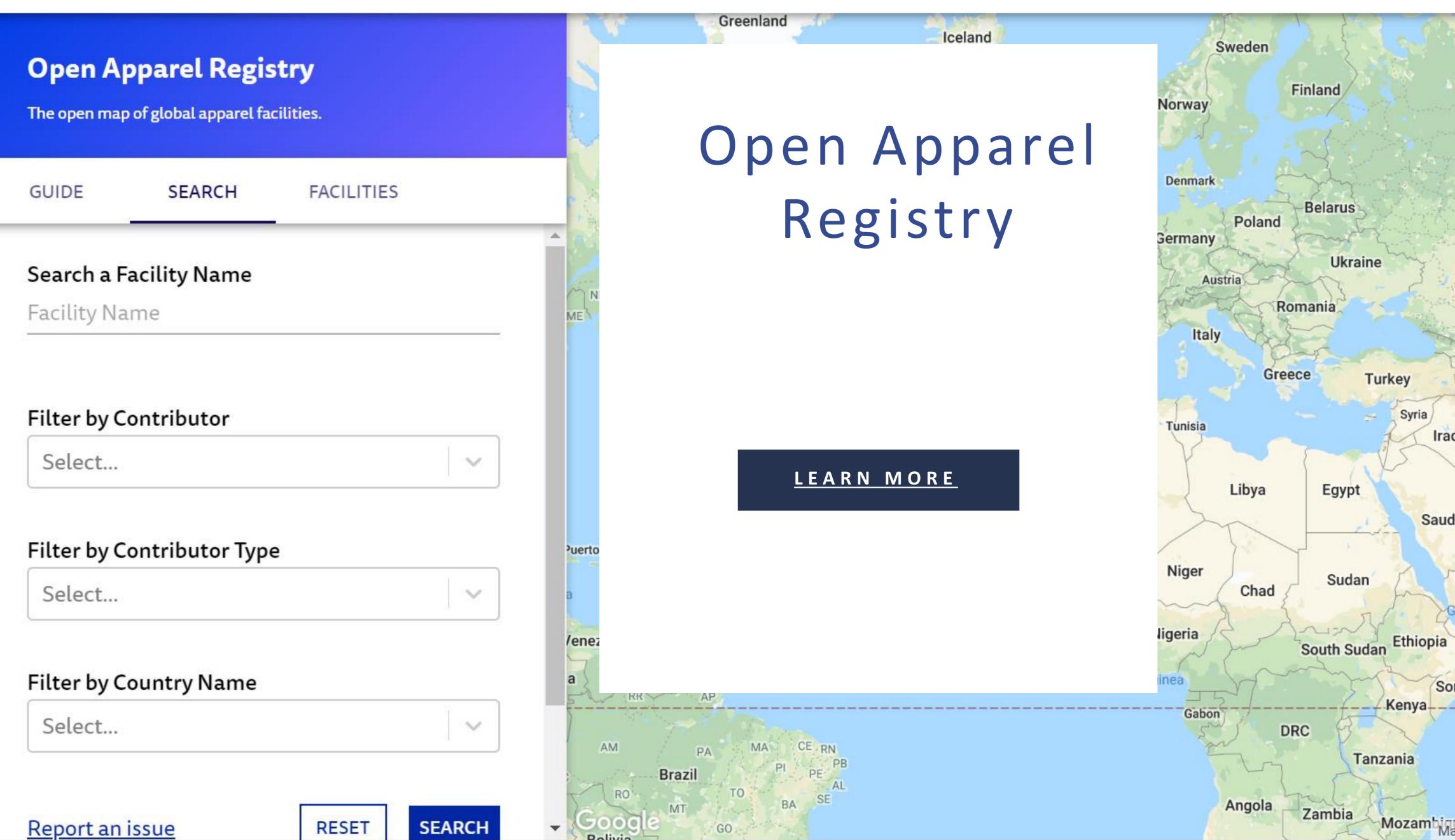
Uzbekis

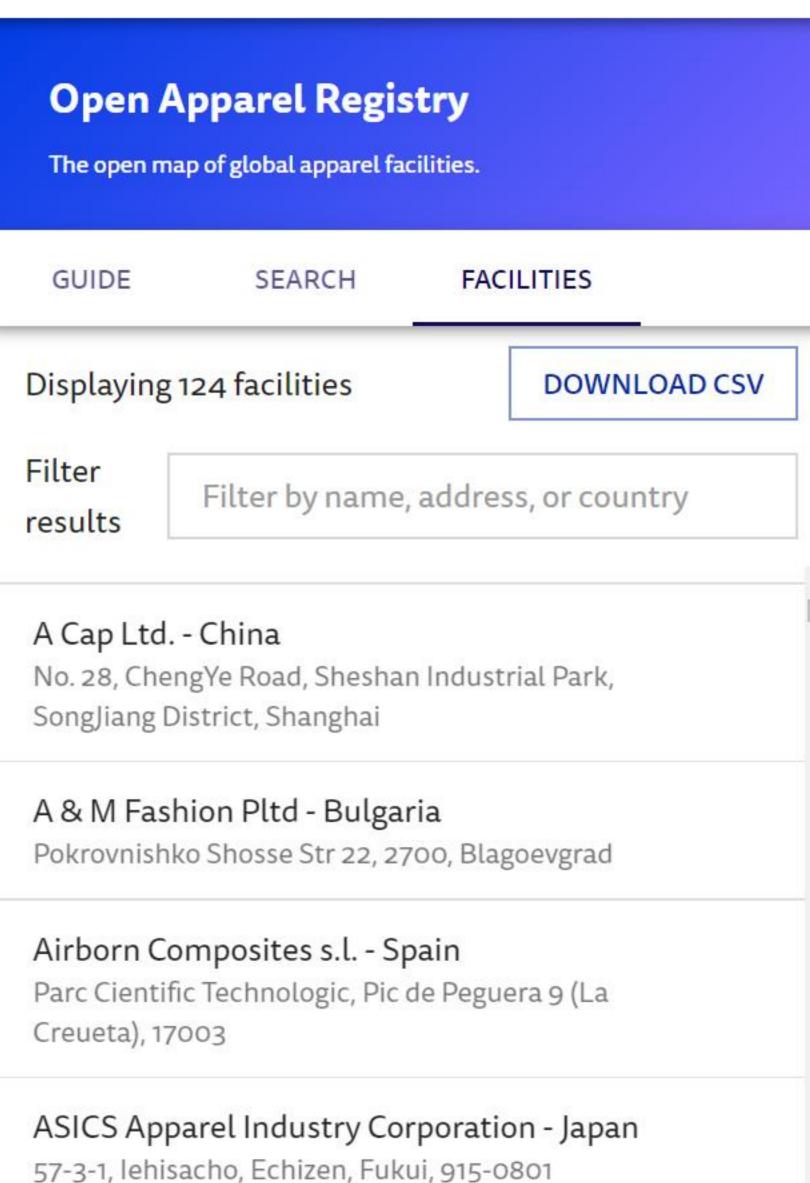
Afghan

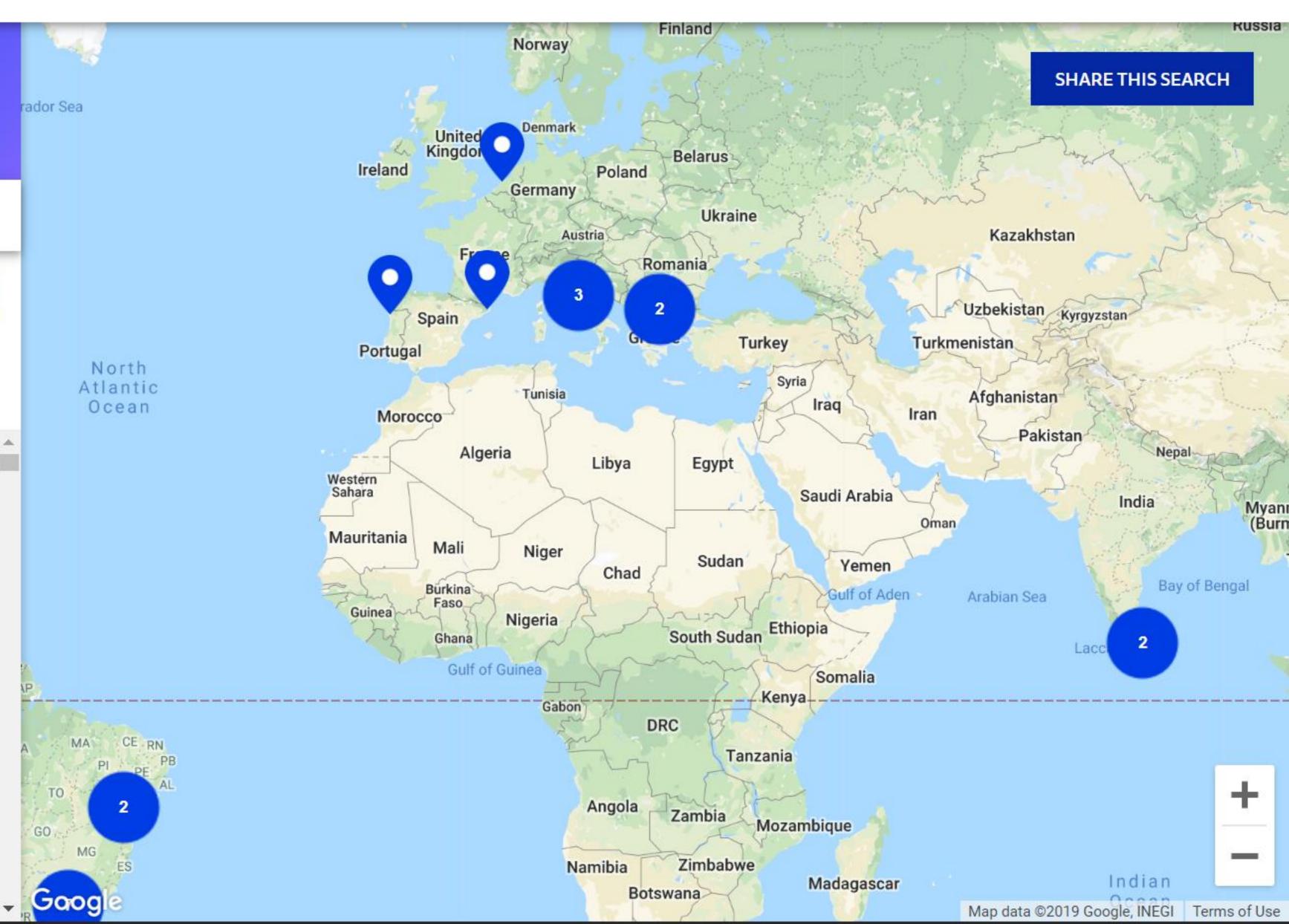
Arabian :

Turkmenistan

Iran







HOME



Intersocks D.O.O.

Reska Cesta 14 Reska Cesta 29 Trata Xiv 6 Kocevje Kocevje -Slovenia



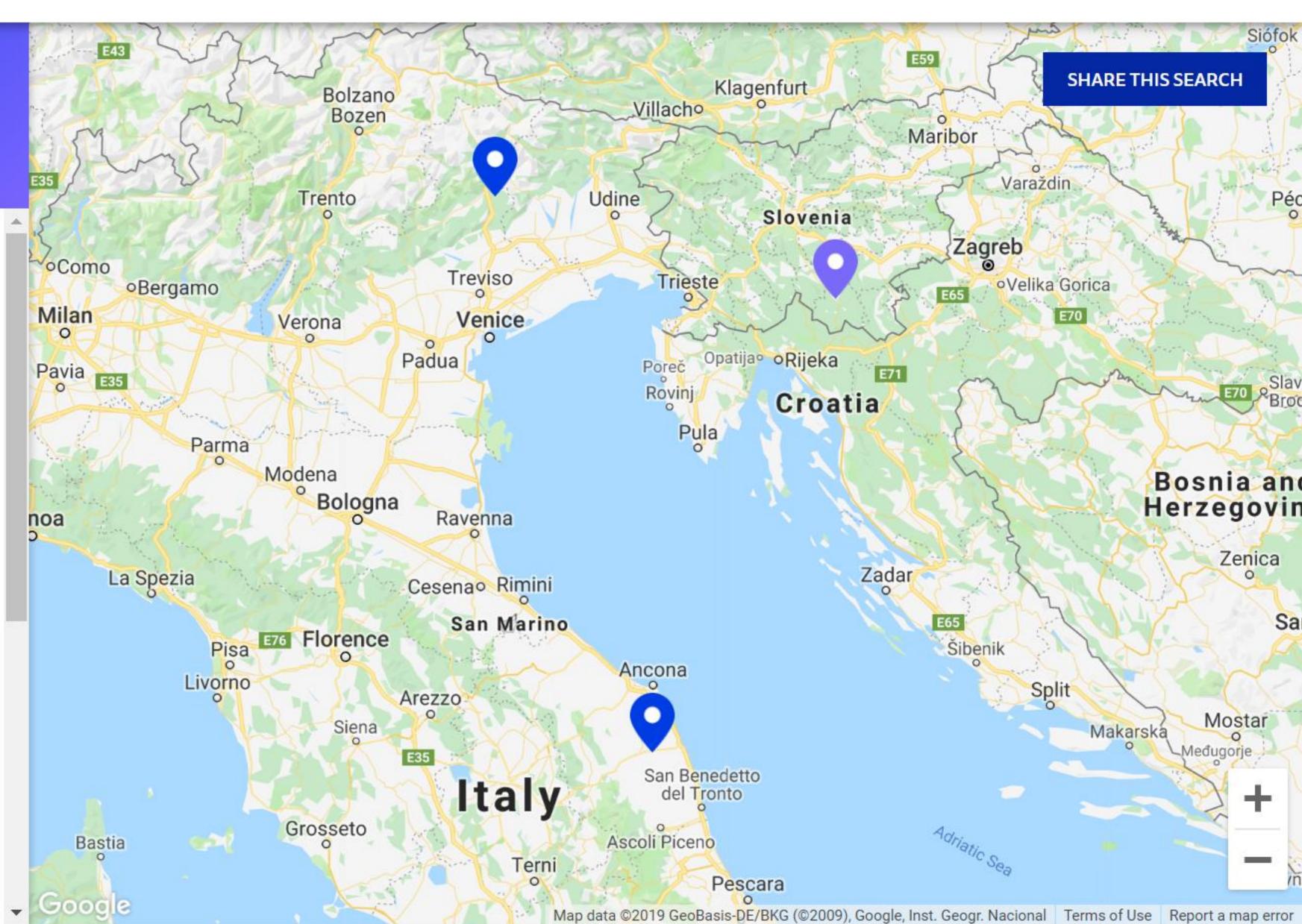
OAR ID:

Sl2019083HSK5TF

GPS Coordinates:

45.6346449, 14.8625045

Also known as:



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ABOUT

FAQs





Intersocks D.O.O.

Reska Cesta 14 Reska Cesta 29 Trata Xiv 6 Kocevje Kocevje -Slovenia

GPS Coordinates:

45.6346449, 14.8625045

Also known as:

Intersocks d.o.o

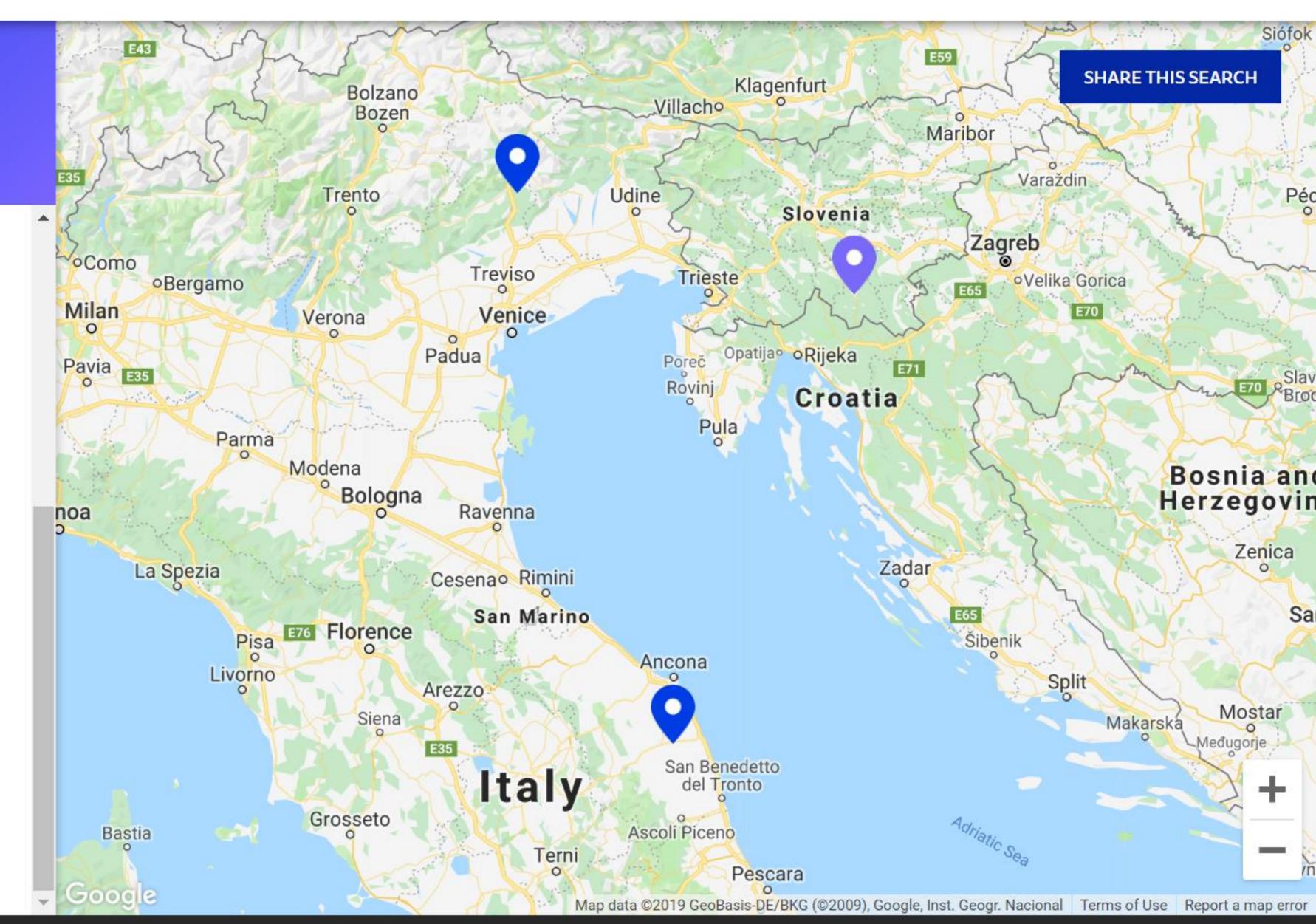
Other addresses:

- Reška Cesta 14, 1330 Kočevje
- Reska Cesta 14 Reska Cesta 29 Trata XIV 6, Kocevje, Kocevje, Slovenia

Contributors:

- VF Corporation (VF Corporation Factory Lis t May 2019)
- Asics [Public List] (Asics 2018 Facility Llst)

REPORT A DATA ISSUE



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