



Business & Human Rights
Resource Centre

Unpicked

FASHION & FREEDOM OF ASSOCIATION

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Executive summary

“ The factories used the pretext of the pandemic to violate freedom of association. They said the situation is so bad, we aren’t getting enough orders, if you talk or question then we can’t do anything, and we will have to close the factory. This is how they kept unions silent.”

Raju, activist at Garment Labour Union (GLU) in India

Workers’ right to organise for decent work and a living wage are fundamental to advances for the millions of women workers making our clothes and shoes for poverty wages. This right has become even more important under the stresses of the pandemic. Tragically, this report highlights a major step backwards by global fashion brands and their suppliers in ensuring the fundamental and facilitating rights of freedom of association and collective bargaining during the COVID-19 pandemic.

Our research draws on interviews with 24 trade union leaders¹ and surveys of 124 union activists and labour advocates conducted by Business & Human Rights Resource Centre (the Resource Centre).² It details the myriad ways in which freedom of association and collective bargaining remain under attack in five major garment producing countries: Bangladesh, Cambodia, India, Indonesia and Sri Lanka. Union leaders continue to face discrimination, threats, violence, false charges and arrests, with factories persistently using COVID-19 as a pretext for these attacks and other attempts to suppress organising efforts and suspend collective bargaining agreements. The increased suppression of trade union rights that spiked in the early days of the pandemic is today becoming the norm, with devastating impacts for garment workers. Without a collective voice and protection, women workers face declining wages, more precarious work, longer hours and abuse and harassment on the factory floor.

¹ Interview breakdown: Bangladesh (8 interviews); Cambodia (3 interviews); India (4 interviews); Indonesia (6 interviews); and Sri Lanka (3 interviews)

² Survey breakdown: Bangladesh (14 respondents); Cambodia (20 respondents); India (28 respondents); Indonesia (61 respondents); and Sri Lanka (1 respondent – due to the crisis in Sri Lanka it was difficult to obtain responses)

 24

trade union leaders interviewed

 124

union activists and labour rights advocates surveyed

 13

factories supplying at least

 15

global brands and retailers

2/3

said freedom of association and collective bargaining has got worse during the pandemic

Our research found that since the pandemic began:

- ➔ Nearly two thirds (61%) of survey respondents reported **the situation for freedom of association and collective bargaining has “got worse”**;
- ➔ Half (48%) of respondents reported an increase in **discrimination, intimidation, threats and harassment** of trade union members;
- ➔ Over a quarter (27%) of respondents reported an increase in **violence against trade union members**;
- ➔ Almost a third (30%) of survey respondents reported an increase in **gender-based violence and harassment** as a result of the restrictions on trade union rights;
- ➔ Factories have used the pandemic to justify **suspending collective bargaining**, including collective bargaining agreements (reported by 31% of respondents) and collective bargaining negotiations (reported by 35% of respondents);
- ➔ Over a quarter (27%) of respondents reported factories citing the pandemic as a reason to **prevent trade union formation**;
- ➔ Over half (58%) of survey respondents revealed an increase in **wage and severance theft** as a result of restrictions on trade union rights.

“Freedom to negotiate has been lost and collective bargaining with the factories has completely stalled as factories have used COVID as a tool to avoid negotiating with the union.”

Yang Sophorn, President of the Cambodian Alliance of Trade Unions (CATU) in Cambodia



Global fashion brands and retailers, heavily dependent on workers within supplier factories, must insist on workers' protection, including the right to organise. A number have policies explicitly endorsing this, and some brands – including **ASOS, H&M** and **Inditex** – have signed Global Framework Agreements with global union federations. However, despite such policies, this report highlights the erosion of the fundamental rights to freedom of association and collective bargaining for vulnerable workers in brands' supply chains. Interviews carried out for this report revealed allegations of union-busting and related abuse at 13 factories. These factories supply, or have recently supplied, at least 15 global fashion brands and retailers, including **adidas, Asda, Benetton Group, BESTSELLER, C&A, Sainsbury's, ETAM, H&M, HUGO BOSS, J.Crew, OVS SpA, Mango, Next, Primark** and **Under Armour**. However, it is important to underscore that this is an industry-wide problem. Examples of better practice prove brands can make progress: following sustained international pressure, **Next** signed a landmark collective bargaining agreement with a supplier factory in Sri Lanka and the Free Trade Zones and General Services Employees Union in October 2021.

“ During COVID, the buyers ignored all their codes of conduct and commitments, they withdrew their orders and asked for discounts from their suppliers. They didn't care about labour rights and freedom of association.”

Anton, Joint Secretary of The Free Trade Zones and General Services Employees Union (FTZ&GSEU) in Sri Lanka

Worker testimony revealed brands' purchasing practices often undermine basic trade union rights and increase factories' hostility towards unions, in contradiction of their own policies. Other findings pointed to brands' failure to actively support or hold their suppliers accountable for respecting workers' freedom of association and their right to collectively bargain. Worryingly, numerous interviewees indicated brands have become less responsive to reports of violations of trade union rights in their supply chains over the course of the pandemic. This is despite most brands having policy commitments in place to protect these rights and the widespread use of voluntary “social audits” across supply chains to ensure compliance. This raises serious questions regarding brands' current willingness to conduct sufficient due diligence in their supplier factories as we emerge from the COVID-19 pandemic, and to mandate adherence with their own policies.

These findings demonstrate current, voluntary efforts by brands to ensure protection of these rights are falling far short. It is in this context that upcoming EU legislation on mandatory human rights due diligence will set an important new precedent to advance the corporate accountability movement beyond voluntary adherence to suggested standards. This report highlights why the EU's Corporate Sustainability and Due Diligence Directive, and other pieces of legislation that may follow globally, must insist on: human rights due diligence throughout the global supply chain and not merely on “established business relationships”, meaningful stakeholder engagement with both workers and communities and protection for human rights defenders. The Directive must also have the teeth of at least a civil liability regime to enforce it.

Against the background of possible legislative improvements, decisive remedial action by brands is now urgent. Otherwise, the dismissal of workers' right to organise, and the subsequent impact this has on working conditions and living standards, risks becoming the norm. The pandemic has helped create a new and dangerously low floor for supplier and brand action towards workers' rights which requires urgent remedy. As the Resource Centre's own KnowTheChain reports have [repeatedly highlighted](#), risk of child and forced labour in supply chains is heightened when workers lack freedom to organise in factories.

Despite heightened attacks and increased personal risk, trade union activists continue to fight for improved working conditions and an end to abuse in garment factories, amid [efforts by states to further trim back fundamental worker rights protections under national labour laws](#). As much of the world emerges from the worst of the COVID-19 crisis, new economic threats may further undermine workers' rights. Freedom of association will play a vital role in ensuring stability for both workers and businesses in increasingly precarious economic contexts. [Research](#) shows freedom of association and collective bargaining are all but essential to achieve decent work and a living wage for supply chain workers. Likewise, constructive workplace dialogue and negotiation is increasingly seen as having [positive impacts](#) on workplace health and safety, worker productivity, satisfaction and a reduction in staff turnover.

Brands, suppliers and governments in both buyer and producer countries should act urgently to ensure this highly profitable industry creates shared prosperity and security at this volatile time.

Summary of recommendations

Detailed recommendations for each stakeholder can be found in the [conclusion](#) of this report.

- ➔ **Governments of brand headquarter countries:** Enact legislation requiring companies to undertake comprehensive human rights due diligence throughout their operations and supply chains, including around sourcing and buying practices. Embed labour provisions in trade agreements and support producer countries to develop more worker-centric legal frameworks.
- ➔ **Governments of producer countries:** Commit to a regulatory environment which both protects and encourages freedom of association and improved conditions for workers, and ensure this framework is supported by well-resourced enforcement mechanisms.
- ➔ **Brands and retailers:** Undertake due diligence across supply chains to ensure workers are guaranteed their freedom of association rights, with access to remedy provided for violations of these and related rights. Build constructive relationships with relevant global union federations and work with suppliers to ensure the same level of dialogue with trade unions at a local level, including a commitment to fair purchasing practices that create an enabling environment for substantive collective bargaining. Ensure visibility over and transparency of supplier factories, including through published audits conducted through gender-sensitive worker engagement.



Introduction

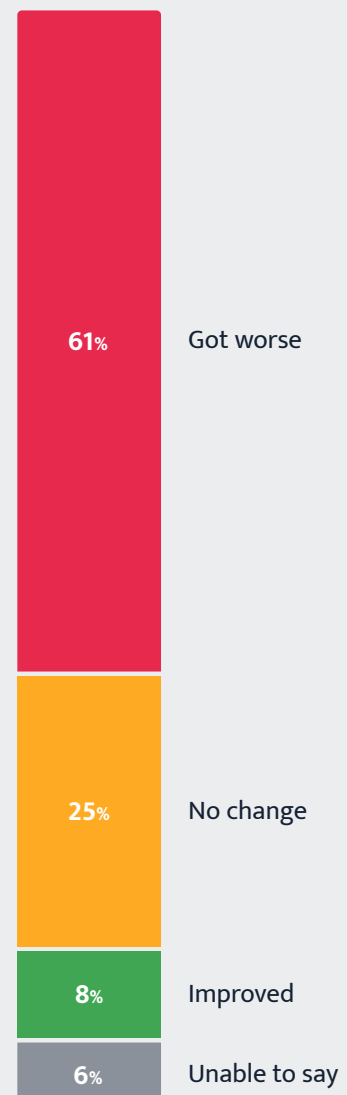
Violation of freedom of association and the right to collectively bargain has been a serious problem across the fashion supply chain for decades. Garment factories often engage in union-busting – practices undertaken to prevent or disrupt the formation of trade unions or attempts to expand membership – and target union leaders and members due to their union affiliation. This hostility towards unions is partly a product of [brands' own purchasing practices](#), which centre on driving down costs without factoring in labour and social compliance. Fashion companies often demand production at prices and schedules incompatible with local labour and employment laws – which usually fall far short of the international standards brands have adopted.

During the pandemic, these fundamental rights have been further eroded, as garment factories supplying to major fashion brands have used COVID-19 as a cover to crack down on trade unions and suppress collective bargaining. The Resource Centre [first documented these trends in 2020](#) and this latest research suggests the hostility towards unions within garment supply chains, which heightened during the pandemic, is at serious risk of long-term entrenchment.

The Resource Centre surveyed **124 union activists** in Bangladesh, Cambodia, India, Indonesia and Sri Lanka on these issues; the majority (61%) said the situation for freedom of association and collective bargaining for garment workers since the pandemic had “got worse”. This was the most common answer across all five countries.

SURVEY QUESTION:

Since the pandemic, has the situation for FOA and collective bargaining for the garment workers you work with?

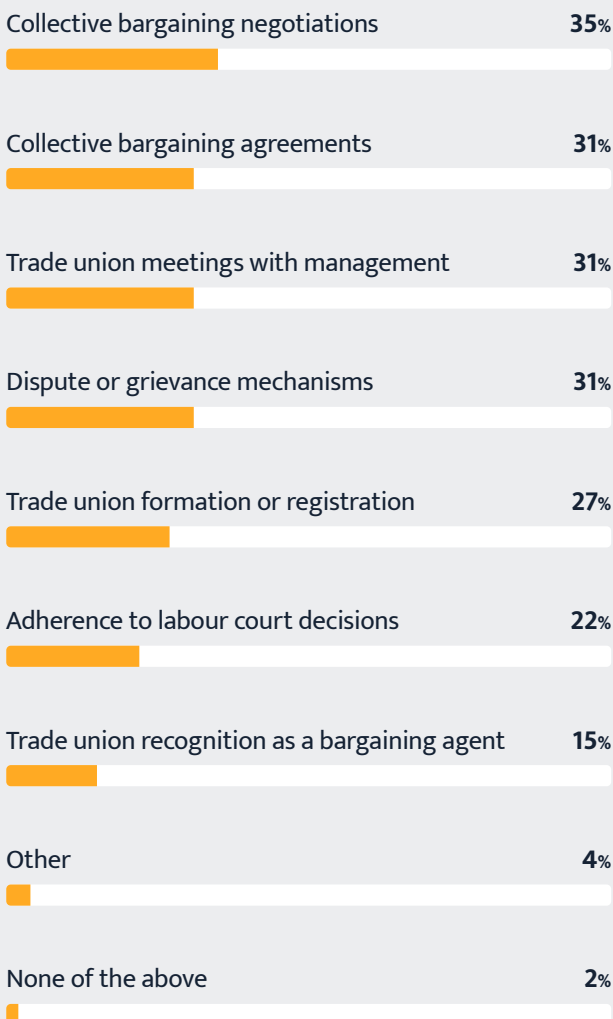


These attacks on freedom of association and the right to collectively bargain are taking place within the broader context of rollbacks of fundamental worker rights protections under national labour laws in Asian garment-producing countries. Asia Floor Wage Alliance reports governments in Cambodia, India, Indonesia and Sri Lanka have initiated sweeping [labour and employment deregulation](#) over the last five years, with new legislation undermining workers’ freedom of association and the right to organise. These efforts have been accelerated through emergency measures introduced by governments during the pandemic. Such emergency powers, which remain in effect in many Asian garment-producing countries, have been criticised by rights groups as [overly broad](#) and curtailing civil rights and liberties. Labour groups have [raised concerns](#) that post-COVID, governments will continue to undermine workers’ rights even further.

This first section of the report explores the different tactics used by garment factories during the pandemic to suppress organising and trade union activities, prevent collective bargaining and silence trade union leaders and activists. The second section reflects on the consequences of these repressive efforts.

SURVEY QUESTION:

Has the pandemic been cited as a reason to prevent or suspend any of the following?



SURVEY QUESTION:

Since the pandemic, have the garments workers you work with experienced an increase in any of the following restrictions on freedom of association or related rights in the factory?



Freedom of association and the right to collective bargaining under international law

Freedom of association and the right to collective bargaining are fundamental human rights at work, protected by core International Labour Organization conventions 87 and 98. Freedom of association – which includes the rights to form and join a trade union, the right of trade unions to function freely without limitations and the right to strike – is also explicitly recognised by Article 8 of the [International Covenant on Economic, Social and Cultural Rights](#) (ICESCR) and Article 22 of the [International Covenant on Civil and Political Rights](#). Both covenants provide that *“no restrictions may be placed on the exercise of this right other than those prescribed by law, and which are necessary in a democratic society in the interests of national security or public order for the protection of the rights and freedoms of others.”*

Closely linked to freedom of association is the right to collective bargaining, which is a key means through which workers and their unions can freely negotiate with their employers for fair wages, working conditions and labour protections and to reduce inequality. Legally binding collective bargaining agreements – negotiated between an employer and one or more trade unions – clearly outline working conditions at a factory, regional or sectoral level for a specific period of time.

While these fundamental rights are protected by international law, in many garment-producing countries domestic laws fall below international standards. According to the UN Guiding Principles on Business & Human Rights, where national laws fall short companies should respect the higher standard. However, in practice, some companies use weakness in local law and enforcement as an excuse to not uphold international standards. As Athit Kong, President of the Coalition of Cambodian Apparel Workers’ Democratic Union (CCAWDU) in Cambodia explained: *“The brands try to use the lowest standard of the local law to avoid responsibility – so when the ministry interprets the law badly, they say we can’t do anything, this is the local law and we need to respect that.”*





1. Increased restrictions on freedom of association and union-busting

1.1 Increased discrimination, intimidation, surveillance and blacklisting

“ The factories won’t say openly, don’t join a union, but they create a situation where workers feel scared to join by making union members do more work or terminating them. It’s risky to join a union.”

Raju, activist at GLU, India

Almost **half (48%)** of survey respondents stated that since the pandemic, union leaders have faced increased **discrimination, intimidation and threats**, while a **third (33%)** reported union leaders facing **increased surveillance**. Several described how, despite the factory formally recognising the union, activists face ongoing discrimination and threats by factory management. This not only suppresses the organising ability of activists, but also hinders union density as workers are further deterred from joining the union.

Interviewees recalled how discrimination heightened during the pandemic, with factories – facing increased production pressures – singling out union activists for excessive production targets, additional workloads and other unfavourable tasks, such as loading heavy bundles of finished garments. One worker, Sumon, recalled how supervisors at **Crossline Factory (Pvt)** in Bangladesh, which supplies **OVS SpA** and **Mango**, “give the difficult tasks at work to the union leaders so we can’t meet the production targets. If we don’t meet the production targets, they verbally harass us and tell us to leave the factory. They used to do this to all workers, but now it’s more targeted at the union leaders”. Giving union activists increased targets serves the dual purpose of both punishment and ensuring they have less time for union organising. As Raju, the General Secretary of the Bangladesh Independent Garment Workers Union Federation (BIGUF) in Bangladesh, explained:

“ The union members and organisers are always given higher targets and workloads, and watched by management to make sure they are busy and have no time for organising or other union activities.”

Respondents also described how factories have used COVID-19 protocols as a tool to target union activists further. Anton, Joint Secretary of the Free Trade Zones and General Services Employees Union (FTZ&GSEU) in Sri Lanka, described an incident at **Bratex (Pvt) Limited**, which supplies to a US garment manufacturer:

“ During a break, a group of workers were drinking tea. Two trade union activists were suspended for more than one week for removing their masks, just to drink the tea. But all the rest drinking their tea went unpunished. They were only taken back due to pressure, but they were not paid during [their suspension] and were issued a warning letter. We are still struggling to get recognition of the union at this factory.”

Almost **a quarter (24%)** of survey respondents reported an increase in trade union members being **blacklisted by factories** since the pandemic, and several interviewees described blacklisting as a common tactic used by factories to both prevent union activists from getting further employment and deter workers from joining unions. Raju, General Secretary of BIGUF in Bangladesh explained:

“ Unofficially, the factories make and share lists of union members and photos and share them with each other, so these workers are blacklisted from getting work and humiliated.”

1.2 Discriminatory dismissals

“ Factories said they had to downsize because of the loss of orders during the pandemic and they are still using that as one of the justifications to dismiss union leaders. COVID is a strong excuse for them to dismiss union leaders as it's more difficult for the unions to argue against this and then the government and brands are more silent and inactive.”

Athit, President of CCAWDU in Cambodia

More than **a quarter (28%)** of survey respondents reported an increase in **targeted dismissal of trade union activists** or forced resignations since the pandemic, while **16%** reported an increase in **mass dismissals** of workers in unionised factories. Previous [Resource Centre research](#) showed how suppliers producing for major fashion brands have cited reduced orders and economic impacts of COVID-19 as the justification for mass dismissals of unionised workers.

Discriminatory dismissals during the pandemic have had a dual effect on organising; not only does this rid the factory of union leaders and activists, but other workers become fearful to join the union due to risk of job loss. Garment workers face a permanent state of economic precarity – both from insecure work and poverty wages – which has been hugely exacerbated by factory closures, job losses and wage theft during the pandemic. Today, the risk for workers losing their jobs is greater than ever. Athit explained:

“ After the pandemic we are facing difficulty in organising because we see workers are increasingly fearful, they are scared to participate with the unions. The employers use this to stop us increasing density of unions and threaten workers if they join [the union] they will not be able to find a job because the [factory] will blacklist them. There are more restrictions by the employer and it's harder to find new jobs so workers are scared to take the risk in fear of dismissal.”

Union leaders in Bangladesh also reported factories using the pandemic as a cover to dismiss union members. Imran*, the union President at a knitwear factory that produces for the export market in Dhaka, Bangladesh, described events at his factory, which has a high union density:

“ During the pandemic, the factory dismissed 150 union members but the government instruction was not to sack any workers during that time. The [Bangladesh Garment & Industrial Workers Federation] helped to reinstate those workers by pressuring [the factory] with the government instruction. [The factory] took the workers back but later they said [they] don’t have enough work, so [they] need to retrench the 150 workers again. They did have enough work, but the management has two factories, so most of the work [was] sent it to the other factory. So, then they could show they didn’t have enough work. It was a strategy to sack the workers because they were union members.”

Today, in the purported aftermath of the pandemic’s peak, Imran’s factory continues to dismiss union members. Along with several other interviewees, Imran described how employers utilise temporary contracts to end the employment of those workers joining a union. He explained:

“ Now most workers have been here for four to five months [as temporary workers]. After six months they become permanent. But the factory has a strategy to dismiss the workers after five months if the union has invited them to join.”

Babul Akhter, Head of the Bangladesh Garment & Industrial Workers Federation (BGIWF), explained how the events described by Imran are not unique to his factory:

“ Employers are always trying to find an excuse to terminate union members... Many workers in Bangladesh lost their jobs during the pandemic, and although there was a “last worker in, first out’ policy, employers disregarded this and especially targeted the experienced workers who are union members for dismissal. So, most of the union leaders have been targeted during this time.”



Photo by the Marcel Crozet / ILO

1.3 Suppression of union organising

The pandemic has also led to increased suppression of union organising, with COVID-19 giving factories new means by which to curb union activities. **One in five (19%)** survey respondents reported an **increase in repression of strikes** since the start of the pandemic. In some contexts, emergency measures introduced by governments in response to the pandemic exacerbated this suppression of trade union rights. Yang Sophorn, President of the Cambodian Alliance of Trade Unions (CATU), explained:

“ Since the pandemic the situation for freedom of association has hit rock bottom in Cambodia. The government has created a COVID law and has used it to take away our freedoms and rights to protest... It’s been a great weapon for both the employers and government to retaliate against us. Along with the new Trade Union Law, the right to organise has been taken away.”

Interview participants also described an array of tactics used by garment factories to prevent organising, including moving union leaders to different floors or departments. Masud*, a union leader at a sports subcontractor manufacturer in Dhaka, Bangladesh, recounted a recent incident:

“ Earlier this month, management suddenly moved one of the union leaders to another floor, but no other workers. They want to send him to a new place where he doesn’t have good relations with his colleagues. They want to try and stop union bonding on that floor.”

The need for social distancing during the pandemic was described by several participants as an excuse for factories to prevent union organising, which also led to unions struggling to recruit new members and losing existing ones. Sophea*, the union President at a shoe factory in Cambodia, explained:

“ It was very difficult for us to do our work and get together, or to recruit new members. One of the issues is that the factory used COVID as an excuse to keep us away from each other and so we couldn’t associate with each other. That was also one of the reasons why we lost members too.”

Another way factories have suppressed union activities is by requiring unionised workers to take costly PCR or antigen tests and pay for them out of their own pockets. Anton, Joint Secretary of FTZ&GSEU in Sri Lanka, said:

“ The factories tell the union activists if they participate in campaigns or distribute leaflets, the next day you come to work, you have to take a PCR at your own cost – then people are reluctant to join, it’s 6,000 rupees, they can’t afford it.”

The threat of factory closures – during a time of heightened financial precarity – was revealed as another way factories have suppressed union organising. As Raju, an activist at GLU in India, described:

“ The factories say they lost money during the lockdown, so now the workers have to make up for the losses by doing more work. They are told if they organise, make demands or question [management], the factories will close and they will lose their jobs.”

Several reports also pointed to [suppliers using COVID-19 as a pretext](#) to specifically close factories with high union density – citing a lack of orders – while keeping non-unionised units open or opening a new factory in another location and hiring non-unionised workers. Raju explained:

“ If the factory finds lots of workers have joined the union, they will close and move the factory to another, more rural, area.”

1.4 Suppression of trade union formation and recognition

Over a quarter (27%) of survey respondents said the **pandemic had been cited by factories in their countries as a reason to prevent trade union formation**, while 15% said factories used the pandemic to **prevent recognition of trade unions** as partners in collective bargaining. In many countries, government departments were closed and stopped accepting applications for union registrations in the first months of the pandemic. While the process for union registration has largely restarted in the countries included in this report, many respondents revealed delays with the application process, either due to backlogs or more onerous requirements. Unions have also seen an increase in the rejection of applications, with little to no explanation given.

In Sri Lanka, Anton, Joint Secretary of FTZ&GSEU, explained that while his union was able to form new unions in seven garment factories during the pandemic, gaining formal recognition within the factories was more difficult than prior to the pandemic:

“ At first, the factories wouldn’t recognise the seven unions. We faced so many problems, the trade union leaders were victimised... The law says if you have 40% of employees as union members you are free to bargain, but to prove you have 40% you have to ask the [Department of Labour] to organise a referendum. But the labour department has been saying you can’t organise a referendum because of COVID [as only 50% of workers were in the factories due to social distancing]... Both parties [the union and employer] have to come to the labour department to fix a date for the referendum, but employers don’t come which delays the process. They drag this on and in the meantime the union will be busted by the employer.”

Two factories, **Chiefway Katunayake (Pvt) Ltd** and **Lanka Leather Pvt Ltd**, producing for **J.Crew** and **HUGO BOSS** respectively, have still to recognise the union. **Chiefway Katunayake (Pvt) Ltd** is however currently in negotiations with workers. Anton says he has written to both buyers about the factories’ refusal to recognise the unions and alleged union busting, but the situation has not improved. According to him, while the two factories refuse to recognise the unions, they “*victimise union leaders... try to manipulate workers and bring union leaders to their side by giving them promotions*” in an attempt to bust them.

In Bangladesh, **Crossline Factory (Pvt)** – producing for **OVS SpA** and **Mango** – refuses to recognise the union, which was registered in November 2021. Sumon, the union President, expressed his frustration with the situation:

“ Any time we go to [factory management] to raise workers’ issues, they won’t talk with us. We want to use the union as a tool to help the workers, but the factory won’t recognise us.”

Since factory management has not recognised the union, the factory does not allow Sumon and his union colleagues to speak with the brands and their auditors, instead introducing them to the worker participation committee, rather than the union. Rahik, a Researcher at BGIWF in Bangladesh, explained how factory management favouring worker participation committees over independent unions is common and of great concern:

“ The factory owners don’t want the unions in the factories. They just want participatory committees so they can show they supposedly respect freedom of association in their engagement with brands and in the audits.”

1.5 Suspension of collective bargaining agreements and negotiations

“Freedom to negotiate has been lost and collective bargaining with the factories has completely stalled as factories have used COVID as a tool to avoid negotiating with the union. They say during COVID times we need to keep socially distanced so it’s not a good time to negotiate. We understand the consequences of being close during COVID, so we try to suggest other ways to negotiate without contact, remotely or through letters.”

Yang Sophorn, President of CATU in Cambodia

Collective bargaining, a key means by which trade unions can negotiate with employers on behalf of workers to improve wages and working conditions, was severely disrupted during the pandemic. Garment factories further used the pandemic as a justification to suspend pre-existing collective bargaining agreements (CBAs). **Three in 10 (31%)** survey respondents stated **the pandemic had been cited as a reason to suspend CBAs**, while **35%** reported the pandemic had been used to justify the **prevention of collective bargaining negotiations**. Respondents also revealed an overall reduction in factory engagement with unions, with **31%** stating the pandemic had been cited as a reason to **suspend trade union or worker committee meetings with factory management**.

One survey respondent in India disclosed: “When the pandemic hit, factories delayed negotiations and were reluctant to come to the table to discuss increased wages.” Another, from Cambodia, explained collective bargaining was not possible in their factory during the pandemic because the company did not allow trade union federations to enter the building. As noted by an interviewee in Bangladesh, suspension of collective bargaining meant CBAs which were in place, but expired during this time, were not renewed.

Factories have also used financial difficulties during the pandemic as a justification to avoid collective bargaining. Babul Akhter, Head of BGIWF in Bangladesh, explained:

“In the last two years there has been no collective bargaining. Workers will say we have demands and want to bargain, but the employer always responds, “Let us survive the pandemic,” so they don’t allow any bargaining for collective agreements. Now COVID is normalised, the situation is slowly improving and we are trying to get back to what the situation was before the pandemic.”



Case study:

Landmark CBA signed at Next Manufacturing Limited

“ During the pandemic some brands did respond well, due to pressure and campaigns. For example, Next finally signed a CBA with our union. Other brands did not respond well, they talk lots and do nothing.”

Anton, Joint Secretary of FTZ&GSEU

On 22 October 2021, the trade union branch office of the FTZ&GSEU set up at Next Manufacturing Limited signed a CBA with the factory – the first CBA in Sri Lanka’s largest free trade zone and the second ever CBA successfully negotiated in Sri Lanka’s garment sector. Under the [collective agreement](#) – which lasts for two years – the factory has agreed to discuss workers’ terms and conditions and demands submitted by the union, set aside time for the union to hold meetings within factory premises and provide training and development programmes for workers.

The union had initially formed in January 2021, following successful action by garment workers to win back unpaid bonuses at the factory – which is owned by Next. During the formation of the union, workers reported intimidation, threats and discrimination by the factory. Despite multiple requests from international groups and nearly half of the workforce joining the union, initially Next [did not recognise and refused to engage with the workers’ union](#). Next also cited COVID-19 travel restrictions as a reason why discussions could not take place, even though union branch leaders and managers working in the factory, as well as Next managers outside Sri Lanka, had been in communication remotely via video conferencing for other meetings.

On 30 March 2021, after a global campaign led by labour rights organisations, Next [confirmed recognition of the union](#) as representative of its workers in the factory and stated that it would engage with them in collective bargaining. Anton, Joint Secretary for FTZ&GSEU [said](#): “The Next employees’ struggle is particularly inspiring, as employers are trying to use the pandemic to bust unions. Despite this, employees were able to sustain their unity under tremendous pressure...”

While previously the factory management allegedly failed to respect workers’ rights, Anoma – the secretary of the union at the factory – explained how the factory management has now started working with the union and progress is being made. While the union has worked to advance workers’ rights during the pandemic, it has also been instrumental in shielding workers against the more recent economic crisis in which garment workers are struggling to survive – and has recently secured a temporary relief allowance of 5,000 rupees a month to support workers.

Next was given the opportunity to respond to information provided on Next Manufacturing Limited in this report and refute the allegations made in this case study. Next’s full response can be found in [Appendix 2](#).

1.6 Difficulties accessing factories and engaging workers

“ COVID-19 has been used as an excuse for the companies to hinder freedom of association, that is obvious.”

Iwan, Head of International Relations at Serikat Pekerja Nasional (SPN) in Indonesia

Unsurprisingly, our research revealed significant difficulties faced by unions in accessing factories during the pandemic due to closures, lockdowns, social distancing measures and requirements to take, and pay for, costly antigen and PCR tests. **Three in 10 (30%)** survey respondents reported an increase in **unions being denied factory access**.

For national-level union federations, accessing workers – who often do not have the technology to participate in virtual meetings and trainings – was particularly challenging during the pandemic. As Sophorn, President of CATU in Cambodia, explained:

“ Access was very hard and we realised without physical contact with the factory workers none of our work makes sense. Most factory workers cannot use Zoom and it’s hard to reach workers to have remote meetings since they don’t have the technical equipment.”

Despite these difficulties, union leaders described, where possible, adapting to overcome the challenges to reach and support workers during this time. Rukmini, President of GLU in India, highlighted the use of phone calls and WhatsApp to stay in touch with workers during lockdowns, alongside delivering online training on COVID-19 health and safety at work, where technology allowed.

Even when unions were able to access workers, the financial devastation caused by the pandemic left workers struggling to survive, with no time for organising. Sophorn remarked:

“ Everyone has faced a huge economic crisis and workers don’t have time to mobilise or organise. They have to spend all their time and energy to try and put food on the table to survive.”

Athit, President of CCAWDU in Cambodia, noted the same: “Workers suffered so much during the pandemic; they are struggling to feed their families, they don’t have enough capacity or resources to join a union and fight... The fears [of reprisals] for workers to join unions are worse, there is a bigger cost now...” The pandemic also placed a huge burden on the unions themselves. Athit added: “The unions also have more limited resources and capacity – we have been pressured during COVID, our people are in jail and have been beaten up etc, we are tired.”

In Sri Lanka, this phenomenon was exacerbated further by the current economic crisis. Anton, Joint Secretary of FTZ&GSEU, said:

“ Straight after COVID we are now in an economic crisis, we don’t even have electricity during blackouts and inflation for food is over 50%. The workers are struggling to survive, they don’t have time to engage with trade union activities. When we call training programs and meetings, attendance is very poor. They are too busy in the queue in the petrol station to get fuel. It’s having a very bad impact on trade unions.”

1.7 False charges and arrests linked to trade union activities

Filing trumped-up charges against union leaders and activists has long been used by factory management as a tactic to silence trade unions. However, more than **one in five (22%)** survey respondents reported an increase in **arbitrary false charges and arrests** linked to trade union activities since the onset of the pandemic. Interview participants described both factories and the police filing legal cases against union leaders, with police frequently acting in alleged collusion with management. In India, Raju, an activist from GLU explained:

“ *[The factories] use the police, local politicians and local goons to threaten workers and make false allegations against union members to file false cases.*”

In Indonesia, Iwan, Head of International Relations at Serikat Pekerja Nasional (SPN), also described lawsuits as common tactic against union leaders. In June 2022, a factory producing for Under Armour, filed charges against 16 union leaders at the Industrial Relation Court. The charges related to workers' protests in September 2021, in response to the company changing working patterns without consulting the union, including increasing working hours without overtime pay and reducing workers' annual leave allowance by five days. The factory claimed the 16 leaders incited workers to protest illegitimately and that it therefore has sufficient grounds to terminate these workers and request payment of compensation for profits it lost during the protests. As the 16 leaders continue to work while they await the outcome of the proceedings, Iwan remarked:

“ *We all know that the company is trying to find loopholes to make sure that these union leaders will make certain mistakes so they can be penalised. They hope this kind of sanction will be approved by the industrial tribunal. This is the second lawsuit [the company] filed against them, but the first was rejected as it was filed against the association, but this second one is against the individuals.*”

SPN contacted Under Armour, who sent a team to investigate the situation. However, Iwan reported:

“ *They are just pointing at the factory to be responsible for this, but we are expecting buyers to help in addressing these kinds of issues.*”

One of the affected union leaders targeted by the lawsuit shared their concerns about the possible outcome:

“ *The lawsuit against us does not only affect us leaders. If the company wins, we will lose our livelihoods, but it will also continue to deteriorate the already terrible situation of freedom of association in...(the factory). There is a big possibility that if the company wins, this will become a model for other supplier companies to practice union busting. We should stop them!*”

Case study:

Crossline Factory (Pvt) and Crossline Knit Fabrics in Dhaka, Bangladesh, file criminal case against union leaders and members

On 6 August 2021, **Crossline Factory (Pvt)** – producing for **OVS SpA** and **Mango** – and **Crossline Knit Fabrics Ltd** – producing for **ETAM** – filed a legal case against 116 union members (including all union leaders) from across the two factories, and a further 80-90 unnamed workers. On the same day, the Bangladesh Industrial Police [filed a criminal case](#) against Babul Akhter, general secretary of the Bangladesh Garment and Industrial Workers Federation (BGIWF), 24 other named union leaders and members, and a further 150-200 anonymous workers. Both sets of charges relate to workers' demonstrations that took place earlier that month, against the unfair dismissals of 17 workers – including for refusing to work overtime – at **Crossline Knit Fabrics Ltd**.

On 4 August, the workers at **Crossline Knit Fabrics** were joined in their protest by workers from sister factory **Crossline Factory (Pvt)**, who were calling for reinstatement of the dismissed workers or for management to pay full termination benefits. According to Nasrin, the former Vice-President of the union at **Crossline Factory (Pvt)**, during the demonstration the factory management refused their demands, and instead, *“brought some local goons into the factory [who] threatened and beat a few of the workers... and called the local police who also threatened workers and said if you don't stop this strike and start working, we will take legal steps against you.”*

On 5 August, when workers arrived at work they encountered police at the factory gate and a notice that the factory was closed indefinitely, with 170 workers across the two factories – including Nasrin – temporarily dismissed. This in turn led to further protests, during which the police fired [rubber bullets](#), [tear gas and stun grenades](#) at the protestors. At least 20 people, including some police officers, were injured in the incident. That night, workers report being harassed at their homes by local “goons” and the police. The following day, the factories and police filed charges against the union leaders and members.

Nasrin is one of the union leaders named in the criminal case. She said: *“We've submitted complaints to the [Bangladesh Garment Manufacturers and Exporters Association], the Department of Labour, the Accord, ACT initiative and the buyers, but none of them could give any solution... it's very painful to have this case against me, now my relatives and the community have learnt about the case and can abuse me.”*

Commenting on the case, Rahik, a Researcher at BGIWF, said: *“This is purely a union-busting case. When we first helped the union submit the registration application, the factory management came to our offices and threatened us too - we informed them it was the workers' right to form a union and they aren't doing anything illegal. When we didn't agree to drop the application, they started using other tactics. First the local goons, then the police.”*

Union leaders say including unnamed workers in the chargesheets is a strategy to threaten other union members – who may be arbitrarily “identified” as being among the anonymous workers at a later stage – and are calling for reinstatement of the dismissed union leaders and withdrawal of all criminal charges.

After Nasrin and the other union leaders were dismissed, Sumon took over as the new union President at **Crossline Factory (Pvt)**. Unrelated to the incidents in August 2021, he has also been threatened with legal proceedings by the factory: *“The owner himself called me and told me to stop doing the union work or I will file a criminal case against you.”* He went on to say: *“I'm not scared, because I haven't done anything illegal.”*

1.8 Violence against trade union members

More than **one in four (27%)** survey respondents reported an **increase in violence against trade union members** since the pandemic, perpetrated by supervisors, “goons” hired by the factory, or by local authorities colluding with the factories. Athit, President of the Coalition of Cambodian Apparel Workers’ Democratic Union (CCAWDU), cited violence and intimidation against union activists as one of the main barriers to freedom of association in Cambodia.

Interview participants from Bangladesh described similar circumstances. Raju, the General Secretary of BIGUF in Bangladesh, said:

“ *Factories hire local goons to threaten workers [with violence] on their way home from the factory. They tell women workers if they get involved with trade union activities, they will be subject to sexual abuse. Sometimes they go to the workers’ homes. They are hired people, so the management is not directly making these threats.*”



2. Consequences of freedom of association restrictions

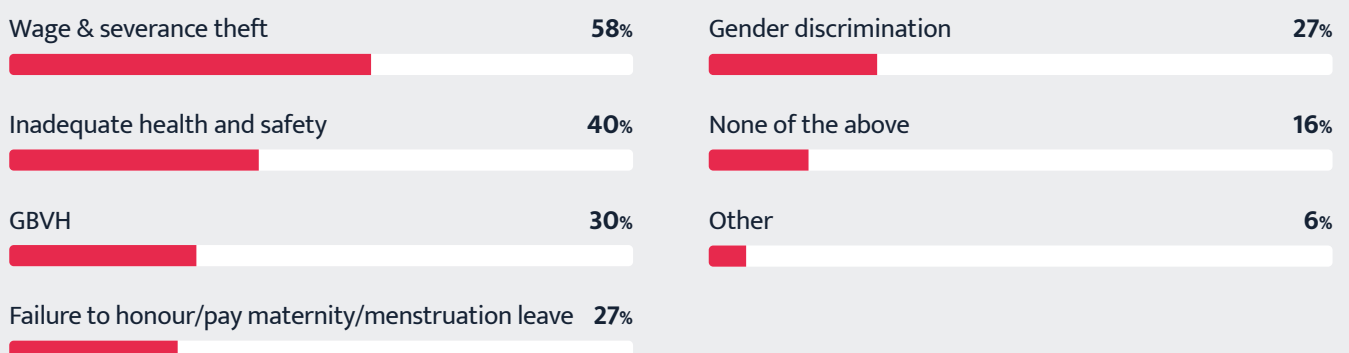
“ Since the pandemic employers are violating many rights. There is more mental pressure due to increased production targets, the factories are requiring overtime without any pay, making workers work 9-10 hours a day without a break. The employers say we can't afford to recruit more workers because of the pandemic so we will increase production targets... Workers are always under threat from losing their jobs and employers are always trying to find an excuse to terminate union members.”

Babul Akhter, Head of BGIWF in Bangladesh

The research made clear how suppression of trade union activities, the silencing of union leaders and restrictions to collective bargaining during the pandemic have led to the rollback of other labour rights protections in factories, and consequent increase in exploitation for garment workers. There is a risk that these new, lower standards will become the norm, requiring an enormous effort by worker activists and their allies to return to the hard-won pre-COVID status quo, let alone improve conditions beyond that.

Three in 10 (31%) survey respondents reported that the pandemic had been cited as a reason by factories to **suspend dispute or grievance mechanisms**, while **22%** said the pandemic had been used to justify **non-adherence with labour court decisions**, leaving workers even more vulnerable to labour abuse and exploitation.

SURVEY QUESTION: Have restrictions on freedom of association and collective bargaining during the pandemic led to increased violations in any of the following?



2.1 Wage and severance theft

The most reported violation attributed to restrictions on freedom of association and collective bargaining was an **increase in wage and severance theft**, reported by **over half (58%)** of survey respondents. During the pandemic, brands cancelled orders and squeezed their suppliers by delaying payments and demanding “discounts” to protect, and even generate higher, profits. These practices have a direct impact on suppliers’ ability to pay their workers and, as a result, millions of vulnerable workers in the garment industry were [denied wages legally owed to them](#) for work already completed over the course of the pandemic’s peak.

Many interview participants explained how factories have further used financial losses associated with the pandemic as justification for reducing wages. As noted by Iwan, Head of International Relations at SPN in Indonesia:

“*During the pandemic, the factories reduced workers’ wages and used the excuse that they have less profits during the pandemic. But even after two years, the buyers are ordering more from the factories, but the factories still use COVID as an excuse to cut wages.*”

Several interview participants also described how factories refused to pay legally owed severance to dismissed workers during the pandemic. Labour groups have documented widespread wage and severance theft in garment supply chains, with Worker Rights Consortium [estimating](#) total severance theft in the global garment industry during the pandemic is between US\$500 million and US\$850 million.

2.2 Inadequate health and safety

Two in five (40%) survey respondents, the second highest response, reported an increase in **health and safety violations** during the pandemic. The same issue was raised as a concern by several interview participants, particularly in relation to keeping workers safe from contracting COVID-19. Raju, General Secretary of BIGUF in Bangladesh, noted:

“*Many factories were negligent in ensuring workers’ safety during the pandemic...[they] did not ensure social distancing.*”

In Indonesia, Sari, chair of the Gabungan Serikat Buruh Indonesia (GSBI) affiliate union at Panarub factory, recalled how workers saw their wages slashed in half between June and August 2020 but at the same time were risking their lives to produce shoes for adidas, the factory’s main buyer:

“*We workers have worked so hard, including throughout the pandemic. In 2020, there were 10 workers who died from COVID and many others who were infected from the factory, buyers should understand this.*”

Risk of health and safety violations increases significantly in the absence of robust and functioning unions. At another factory in Indonesia, producing for Under Armour, Yumanna, chair of the Garteks branch union at PT Kahoindah Citragarment, noted:

“*Mostly, complaints [about conditions in the factory] come through the union. Most complaints we receive are related to harassment and then health and safety issues.*” *Where unions are repressed and unrecognised, the likelihood of these matters receiving attention – much less intervention- increases significantly.*

2.3 Increased gender based violence and harassment (GBVH) and gender discrimination

“ The most vulnerable are the female workers, especially the pregnant ones. During the pandemic, each factory tries to find excuses to dismiss workers without paying. Normally workers receive maternity support funds but all of that has been taken away, none has been received. If you were to give birth and take maternity leave you will have your contract dismissed right away. Some have their contracts taken away during their pregnancy.”

– **Yang Sophorn**, President of CATU in Cambodia

The research also revealed how restrictions on freedom of association and collective bargaining during the pandemic have left women workers even more vulnerable to abuse and discrimination. **Three in 10 (30%)** of survey respondents reported an increase in **GBVH**, and **a fifth (21%)** highlighted an increase in **gender discrimination**. **Over a quarter (27%)** of respondents reported factories had increasingly **failed to honour or pay maternity or menstruation leave** during the course of the pandemic.

Many interview participants linked heightened GBVH to increased production pressures since the start of the pandemic, perpetrated by male supervisors and managers who drive women workers to meet unreasonable the production targets set by fashion brands. The link between heightened risks of GBVH and fashion brands' purchasing practices during the pandemic was explored in the Resource Centre's [previous research](#).

Dipika*, a union leader at a factory in Bangalore, India, that produces for global brands including **Primark**, **BESTSELLER**, **Asda** and **Sainsbury's**, described how workers are verbally abused, threatened, and called “dogs” by supervisors for not meeting increased production targets. She said:

“ [The supervisors] scold us often and threaten us that we will be dismissed, so they keep the workers in constant fear. They come and bang on the tables to intimidate the workers and to make us work faster. Every day we have to work up to one hour for free to complete the targets. Then, because we finish late, we miss the factory bus. The women don't have money to take the government bus, so they often have to walk back 4-5km in the dark by themselves. It's not safe.”

As previously described, union leaders are often singled out and given increased production targets as a form of punishment for their union affiliation, and women union leaders are even more vulnerable to being targeted with this type of abuse. Dipika recounted a recent incident at the factory:

“ Two months ago, a union member couldn't finish her targets, so the male supervisor threw a chair at her. Then he made her stand without work for the day as a form of punishment to humiliate her, as the other workers could see her standing and were asking her, why are you standing? The union made a complaint to management, but they didn't do anything.”

Namita*, a union leader at another factory in Bangalore that produces for global brands including **Benetton Group, C&A** and **H&M**, also attributed a rise in GBVH on the factory floor to increased production targets since the pandemic:

“ [The supervisors] throw bundles of clothes at us, every day at one or two people at least. When it hits us in the face, it really hurts. They pull and push us, hold our hands tightly and drag us from the machine across the factory floor and push us to the side.”

Namita also described how women union members are often targeted for abuse:

“ Production targets have increased and so has targeting the union members during this COVID time, they tell us we need to make up for the money [the factory] lost... Just two days ago, two women union members were shouted at and asked not to come to work because they didn't complete their targets.”

Sophea*, a union leader in a shoe factory in Cambodia, described how a fear of reprisal meant that most women workers were afraid to speak out against the abuse, and even when they do file complaints, the perpetrators enjoy impunity:

“ The union files complaints to the factory owners and HR departments but most of the time the victims prefer to be silent because they are afraid, they will lose their jobs if they say something. If they do make a complaint, the factory says they will investigate but in reality, we've never seen them do anything.”

It is clear that respect for freedom of association, including agreed structures for negotiation and grievance mechanisms, provides an enabling environment for women to raise concerns and achieve remedy.





3. Brands' failure to uphold commitments to protect freedom of association and collective bargaining

“ During COVID, the buyers ignored all their codes of conduct and commitments, they withdrew their orders and asked for discounts from their suppliers. They didn't care about labour rights and freedom of association.”

Anton, Joint Secretary of FTZ&GSEU in Sri Lanka

While repression of freedom of association and the right to collective bargaining increased during the pandemic, our research indicates this was coupled with a decrease in responsiveness on behalf of brands to violations of these rights within their supply chains; effectively giving their suppliers carte blanche to violate fundamental labour rights. This is despite most major brands committing publicly through policy commitments to protect freedom of association and trade union rights in their supply chains. Union leaders noted how even the “better” buyers which had previously engaged with unions and acted swiftly in response to violations of their Codes of Conduct, suddenly became unresponsive to the unions' attempts to raise and address concerns.

A lack of brand oversight during the pandemic, exacerbated the ineffectiveness of social audits and the suppression of unions and their shop floor representatives, was raised as a major concern, making it harder for brands to ensure compliance with their standards. Participants expressed frustration at brands' denial of responsibility for freedom of association and other labour rights concerns in subcontracted factories, and emphasised how buyers have the power to improve conditions for workers across their supply chain.

3.1 Failure to engage with unions

A recurring theme among interview participants highlighted how brands became more unresponsive to unions across their supply chains during the pandemic, even using COVID as a justification for why they were unable to act and ensure remedy to labour rights violations raised with them. This is crucial, as in the absence of effective factory-level grievance mechanisms, intervention by brands is often the only avenue through which workers can access remedy.

As Athit, President of CCAWDU in Cambodia, summarised:

“ In the past the brands were more active. But since COVID we have noticed that the brands have become more inactive. They say they are also the victims of the pandemic – they say it affected their business and as such we should not demand or complain, because business is down it’s hard to place demands on suppliers. They are more reluctant to engage, and they ignore us. They use it as an excuse [as] to why they can’t take action. But one of the only sources of remedy for us is to file a complaint with the brand. This is major difficulty we are facing.”

Athit described the response he would like to see from brands when unions report violations in their supply chain:

“ Brands should make immediate interventions, they need to have a clear mechanism that deals with the issue within an appropriate time period. When brands intervene quickly, that is welcome.”

Other workers stressed the need for transparency between factory workers and brands. Sophea*, a union leader at a shoe factory in Cambodia, stated:

“ We don’t even know who the buyers are. I wish [they] would create the opportunity to speak with them directly so we can raise our concerns. Without them speaking to the ones that are producing their goods, they are only hearing lies from the factory, so they don’t know the reality. We never have a chance to meet the buyers or speak with them.”

Setiawan*, a trade union leader in Indonesia, emphasised the need for brands to engage with all trade unions within a factory in order to minimise the risk of only engaging with a supplier’s preferred representative body or union:

“ The brands don’t talk with the trade unions... They have to meet with the trade union representatives, and if there’s more than one trade union in the company, they need to meet all of them. If they meet only one, that will be the yellow union or company union.”

Given the rise in GBVH highlighted in this report and previous Resource Centre research, women’s participation in social dialogue and access to grievance mechanisms remains critical. While garment workers are predominantly women, they are often underrepresented within trade unions and worker committees.



3.2 Ineffective & non-transparent audits

“ The so-called audit system is just camouflage, it’s not real. They don’t share the reports with the unions, they don’t even talk to the unions. We know how [the factories] select the workers for audits, most are non-union members. This system is never going to support workers. If they really wanted to have a genuine audit, they need to talk to the unions. When there is no union, they should talk to the workers at their boarding houses, not inside the factory. Inside the factory, workers cannot talk the truth.”

Anton Marcus, Joint Secretary of FTZ&GSEU in Sri Lanka

Almost half of interview participants raised inadequacies with brands’ monitoring and social audits in capturing violations in their supplier factories, which partly explains how heightened attacks against freedom of association and collective bargaining during the pandemic have gone unchallenged and continue to persist. Key concerns raised included a lack of union engagement within the auditing process; auditors being ineffective in capturing violations either due to workers being handpicked by management to meet with them, or workers fearing reprisals for speaking out; and a lack of transparency over the findings, which even when they are made available to brands, remain inaccessible to workers.

Dipika*, a union leader at a factory in Bangalore, India, producing for **BESTSELLER, Primark, Asda** and **Sainsbury’s**, disclosed why audits are ineffective at her factory:

“ When the brands and auditors come to the factory, they speak to the workers – who are not union members – and they will say everything is alright. They are scared because the management have told the workers if you complain the brands will remove the orders and you won’t have any jobs.”

Setiawan*, described a similar situation in Indonesia:

“ The buyers have to ensure their suppliers respect trade union rights by doing audits... But when they do the audits, the factory has already arranged everything. The auditors meet the workers arranged by the company to give good answers, so they don’t see the real situation. It’s just a fake audit. They don’t talk with the trade union or the union leaders in the factory.”

While many participants were sceptical of audits as a means of identifying abuse, some had suggestions on how buyers and social audit firms could improve the process. Raju, an activist at GLU in India explained that meaningful engagement with unions, who can facilitate offsite meetings with workers, is key, while Ahit highlighted the need for real transparency in respect of the audit process. Participants also suggested that promotion of freedom of association by brands and meaningful engagement with unions would not only be more effective in capturing violations, but it would also save the brands money on expensive audits. Anton, Joint Secretary of FTZ&GSEU in Sri Lanka explained:

“ There needs to be unions in every factory. The unions know everything. Brands need to promote freedom of association and ensure unions are in their factories. Then they won’t need to spend millions of dollars on auditing, they can talk directly with the workers and unions.”

Ahit also suggested how brands could work together with unions to monitor conditions:

“ Brands could also have bilateral agreements with the unions to do joint monitoring and surveys etc to monitor the situation in their supplier factories. This is also less costly than auditing, but straightforward for the workers. [They should] standardise the factory monitoring and fund it.”

3.3 Denial of responsibility for workers in subcontracted factories

While freedom of association and collective bargaining have been hugely suppressed during the pandemic, interview participants revealed the situation was often far worse in subcontracted suppliers that are further beyond brands' oversight. Yet, when violations in brands' supply chains are reported to them, there is a denial of responsibility, especially when unauthorised subcontracting is at play.

As Setiawan*, a trade union leader in Indonesia explained:

“Most of the Tier-1 suppliers subcontract orders to other companies [which] are not registered suppliers for the brands, and the situation for freedom of association is worse there, because they are far from the oversight of the buyers. Then when we raise the issues with the buyers, they deny and say it's not our supplier, we don't have any responsibility to protect freedom of association in that company.”

Another trade union leader in Indonesia – Yanti, the General Secretary of GSBI – remarked:

“When workers in subcontracting factories producing for the Tier-1 company try to organise and negotiate, the management at the subcontractor level will always block that. When we contact the Tier-1 company to intervene and resolve [the issue], they will say it's not our responsibility because the workers don't work for us. Then we call the buyers to intervene, and they also give us many excuses – we don't have a relationship or partnership with this company, we only have a relationship with the Tier-1 company.”

3.4 The role of abusive purchasing practices in undermining freedom of association & collective bargaining

“Brands also need to play a part in prevention, not just remedy. They should provide incentives for their suppliers that have good practice in protecting freedom of association, for example, stable orders and long-term commitments of orders. But mostly brands maintain unstable relationships with the suppliers and play suppliers off against each other. They have a lot of power to improve the situation if they want to. They should not only use the stick, but they should also use carrots too.”

Athit, President of CCAWDU in Cambodia

Interviewees revealed how brands' own purchasing practices have the potential to drive violations of freedom of association and collective bargaining, with brands not paying prices that cover the costs of labour and social compliance. Despite trade unions' important role in protecting – mainly women – garment workers from abuse on the factory floor, brands' purchasing practices have often undermined freedom of association and collective bargaining, and instead increase [factories' hostility to unions](#). As suppliers maintain a flexible workforce to meet unstable and volatile orders, they are often hostile to unions advocating for more stable employment, higher wages and better working conditions. Production practices also undermine unionisation, with long working hours – up to 17 hours a day – to meet unrealistically short lead times, together with restrictions on movement and communication within the factory, denying workers the opportunity to engage

with one another. Abusive commercial practices by brands during the pandemic – including cancelling orders, delaying payments, and requesting retroactive “discounts” – will have also played a significant role in further undermining these fundamental rights.

Threatening to withdraw orders in response to complaints made by workers and unions was cited as another way in which brands can further drive suppression of freedom of association, with factories in turn threatening unions not to make complaints to buyers. Rukmini, President of GLU in India, explained:

“ When GLU approaches the brands about issues that [factory] management won’t resolve, instead of intervening positively, they call the management and threaten them, saying if we receive complaints like this, we will withdraw orders and then your factory will have to close, so, make sure no complaints come from the union. Management then stops workers from sharing their issues and threatens the workers if they do that, they will close the factory.”

Some participants suggested how brands could adopt better purchasing practices to incentivise suppliers to respect freedom of association and trade union rights within their factories, and in turn secure more stable business relationships along their supply chains. These included “rewarding” suppliers which have a good record of respecting trade union rights with increased, more stable, and longer-term orders. Rukimini noted:

“ The onus is on the brands – they are the ones making the orders and who profit from the clothes the workers are producing. They have a big role to play to protect freedom of association, but instead they wash their hands of responsibility. Brands have the power to negotiate with the factory, they have the power to dictate the prices and insist on freedom of association and better working conditions... by telling the factory management we will give you more orders. But I hardly see such kind of stands made by the brands.”

If suppliers continue to violate the right to freedom of association and collective bargaining despite brand interventions, Anton, Joint Secretary of FTZ&GSEU in Sri Lanka, suggested brands could gradually reduce orders to exert further pressure:

“ We are asking brands to ask their suppliers to respect the local law, their Codes of Conduct and fundamental ILO standards. We want them to ask their suppliers to take corrective action. Brands cannot wash their hands by completely withdrawing orders, as workers will lose their jobs. But at the same time if the supplier refuses to comply, brands can gradually reduce orders to exert pressure, while asking the supplier to change their attitude.”



Conclusion and recommendations

“Factories do not like trade unions and organising, they see unions as the enemy. Brands have a role here – they are supposed to uphold their code of conducts and promote freedom of association.”

Rukmini, President of GLU in India

The increased and ongoing suppression of trade union and collective bargaining rights since the pandemic is of major concern. In countless ways, factories have used the COVID-19 pandemic to further suppress freedom of association in the garment supply chain, while fashion brands have largely failed to protect trade union rights and have even looked the other way when unions have raised concerns. If garment workers are unable to organise, exercise their rights to strike and collectively bargain, they lose a crucial means by which to improve working conditions and protect themselves from abuse. As Masud*, a union leader at a sportswear factory in Bangladesh noted: “If we make any demands or ask for facilities, the factory management never allows it. The union always has to have a movement or a strike to fulfil those demands.” As the findings of this research attest, repression of freedom of association is closely associated with increased labour abuse and exploitation.

The findings make clear that voluntary standards on human rights and business, and the social auditing model used to monitor compliance with these voluntary standards, have failed to protect freedom of association and the right to collective bargaining in garment supply chains, especially when under increased pressure during the ongoing COVID-19 pandemic. While these fundamental rights – essential for the exercise of other human rights – have long been repressed in garment supply chains, this research reveals how they have been further eroded during the pandemic, leading to an increase in abuses on the factory floor – and potentially setting a dangerous new floor for supplier and brand behaviour.

This signals an urgent need for legally binding standards and enforcement mechanisms for corporate respect for human rights in the fashion industry, which can be used by workers and their unions to hold brands accountable for labour and human rights violations in their supply chain. Accordingly, governments must enact legislation requiring companies to undertake comprehensive and mandatory human rights due diligence throughout their operations and supply chains.

Alongside initiatives for binding accountability, brands must take immediate action to ensure protection for freedom of association and collective bargaining and address their purchasing practices which contribute to the abuse of these rights. Brands must engage directly and meaningfully with unions and worker groups as part of their due diligence, and when reports of union busting arise in their supply chains, they must work with them to support adequate and timely remedy.

Key recommendations to governments of brand headquarter countries:

- ➔ Enact legislation to establish **mandatory human rights due diligence** by companies throughout their international operations and supply chains with joint and several liability;
- ➔ Embed **labour provisions in trade agreements and preferential trade tariffs** and properly monitor their respect, in consultation with trade unions, NGOs and other stakeholders;
- ➔ Implement measures to **support garment-producing countries and their stakeholders to improve their legal framework**, for example, through trade measures, political dialogue and development aid.

Key recommendations to governments of producing countries:

- ➔ Ratify, implement and fully comply with their **international obligations on freedom of association**, in particular with regard to ILO Conventions on Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Discrimination (Employment and Occupation) Convention, 1958 (No. 111) and Occupational Safety and Health Convention, 1981 (No. 155);
- ➔ Ensure national laws **support and facilitate workers' rights to freedom of association and collective bargaining** and that there are no restrictions to such fundamental rights;
- ➔ Ensure **monitoring and enforcement of national laws** protecting freedom of association is enabled through the allocation of adequate capacity and funding.



Key recommendations to brands and retailers:

- ➔ Positively respond to unions' requests to **negotiate and sign enforceable brand agreements**, such as the proposed [Pay Your Workers – Respect Labour Rights](#) agreement;
- ➔ Proactively and publicly support **stronger state protections** for freedom of association and collective bargaining. This includes the implementation of these protections and the timely registration of trade unions;
- ➔ Conduct **effective human rights due diligence** on the right to form or join a trade union and collectively bargain. This should be done in collaboration with trade unions and other forms of independent worker organisations, including women's organisations and independent worker committees, and the findings should be published so workers and unions can respond;
- ➔ Commit to providing swift **remedy** where violations of freedom of association and collective bargaining – and other violations that may result from these, including gender based violence and harassment – occur. This must include taking an active, transparent role in industrial disputes, even in the absence of pressure from the international labour movement and consumers, and regardless of ongoing legal actions
- ➔ Transform **purchasing practices** that create or exacerbate risk factors for union-busting. Suppliers with functioning collective bargaining with independent trade unions should be given preference in awarding contracts, order stability and long-term commitments;
- ➔ Ensure consistent and full **visibility over supplier factories**. Supplier lists should be published in accordance with the Transparency Pledge and the Open Data Standard for the Apparel Sector;
- ➔ Publish **factory audit reports** and report on the operation and use of **grievance mechanisms**, and ensure audits and monitoring initiatives include meaningful, gender-sensitive engagement with workers and unions.
- ➔ Actively **support freedom of association and collective bargaining**. For example, through training, translation and promotion of codes of conducts and the implementation of grievance mechanisms that meet or exceed UNGP standards, and committing to zero tolerance for retaliatory actions against trade union leaders and members.
- ➔ Work with suppliers, trade unions and other stakeholders to ensure **women workers and their representatives** are a critical partner in social dialogue and negotiations.

Appendix 1: Methodology

This report is based on research conducted by Business & Human Rights Resource Centre (Resource Centre) into how the rights to freedom of association and collective bargaining were impacted by the COVID-19 pandemic in five major garment-producing countries in South and Southeast Asia: Bangladesh, Cambodia, India, Indonesia and Sri Lanka. Information was obtained from a variety of sources, including in-depth interviews conducted by the Resource Centre from June to July 2022 with 24 trade union leaders and activists – 13 of whom are women – at both the factory and federation levels from the five countries.³ The names of some interview participants and factories are not provided in the report, due to risk of reprisals.

Allegations of union-busting and associated violations at 13 factories were revealed through the interviews, which have been used as case studies in the report. These factories supply, or have recently supplied to, at least 15 global fashion brands and retailers: adidas, **Asda**, **Benetton Group**, **BESTSELLER**, **C&A**, **Sainsbury's**, **ETAM**, **H&M**, **HUGO BOSS**, **J.Crew**, **OVS SpA**, **Mango**, **Next**, **Primark** and **Under Armour**. The buyers were identified from publicly available supplier data and information provided by the interview participants themselves. While all 13 factories produce for the export market, the list of international buyers is not definitive; due to a lack of transparency in the industry it can be a challenge to identify buyers and workers themselves are not always aware of the brands for whom they are producing.

Information is also based on survey data collected online from May to July 2022 from 124 union activists from the five countries.⁴ Participants included labour rights NGOs, factory-level trade unions, national trade union federations, and women and migrant worker organisations. The survey, designed by the Resource Centre, was administered with the assistance of Clean Clothes Campaign's global network. The survey data is held by the Resource Centre, who also conducted the data analysis.

Extensive desk research was also carried out using information from open sources, including relevant international human rights standards, civil society reports, and domestic and international media.

³ Interview breakdown: Bangladesh (8 interviews); Cambodia (3 interviews); India (4 interviews); Indonesia (6 interviews); and Sri Lanka (3 interviews).

⁴ Survey breakdown: Bangladesh (14 respondents); Cambodia (20 respondents); India (28 respondents); Indonesia (61 respondents); and Sri Lanka (1 respondent – due to the crisis in Sri Lanka it was difficult to obtain responses).

Appendix 2: Brand and supplier responses

Ahead of the report's publication, we gave the 15 buyers linked to the factories and 13 suppliers named in the report the opportunity to comment on the findings. Their responses are below, and some have been edited for length. The full responses can be found on the Resource Centre's website. At the time of publication, **Asda, Benetton Group, BESTSELLER, C&A, H&M, Primark** and **Sainsbury's** are in dialogue with local unions to discuss the findings.

Brand responses

Adidas

"...With respect to the extract you have shared, the union official is referring to a worker furlough that took place at a footwear supplier in Indonesia in 2020. In brief, the factory concerned has multiple trade unions and prior to applying for a temporary furlough for workers, it negotiated and reached agreement with its 3 existing unions that held representational rights under its CBA, i.e., those trade unions that held membership levels greater than 10% of the workforce. Shortly after that agreement was reached, a fourth union was formed, which complained that it had not been consulted on the worker furlough program. The newly formed union membership represented less than 1% of the workforce and, by law, it did not qualify as a consultee. This was confirmed by the local labor authority. Nevertheless, to resolve the complaint the supplier conducted a retrospective meeting in early 2021 to share the details of the agreement reached with the other representative unions. The supplier provided the fourth union with the context and particulars related to the decision to pursue a temporary furlough, including the ongoing Covid restrictions, data on worker leave entitlements, planned order volumes, the non-financial support being offered to workers, as well as the cash-assistance program that was provided by BPJS, the government's social insurance provider. We shared the results of our investigation into the above case with the Asia Floor Wage, who had acted as an intermediary for the fourth union. We understood that the union was satisfied with the disclosure and the reasons given for the worker furlough. Reference is also made in your report to Covid-19 deaths. From the very outset of the pandemic adidas provided our business partners with comprehensive guidelines on worker hygiene and infectious disease control, aligned with WHO standards, and these were strictly followed by the suppliers' factory, as was the testing and vaccine requirements subsequently rolled-out by the local health authorities in each country..."

Asda

"We have a clear policy for suppliers to follow which explains our standards and expectations that rights of all workers are to be respected. We have long-standing relationships with our garment suppliers in these regions of India and we will work with them and the BHHRC to investigate any claims within this report relating to factories which supply George clothing and will take any breaches of our policy extremely seriously."

Benetton Group

“Benetton Group is still in the process of investigating, in the meantime a reminder will be addressed to all our suppliers informing that Benetton supports the importance of ILO principle stating that the right of workers and employers to establish their independent organizations is the basic prerequisite for collective bargaining and social dialogue.”

BESTSELLER

“We welcome this report and take its findings seriously. Freedom of Association is a fundamental right, and failure to respect it is a zero-tolerance issue for our business partners. At BESTSELLER, we have a responsibility to use our leverage to promote and protect labour rights and the dignity of those who work in our supply chain. We are committed to working together with all stakeholders to learn from the experience of the pandemic and chart a course towards a brighter future under collective actions to promote and protect human rights and hope our business partners and peers use this report as a learning tool.”

C&A

“We take allegations in our supply chain always very seriously. Gender-based violence, discrimination and harassment in factories are strongly prohibited and outlined in our Supplier Code of Conduct, which is translated into around 20 different languages. Prior engagement with C&A, all our suppliers must sign and agree to C&A’s Supplier Code of Conduct. C&A’s priority is to invest in long-term relationships with strategic suppliers who share our values and are committed to comprehensive worker wellbeing. We also communicate and collaborate with suppliers via our Fairness Channels, which are hotlines where workers can report compliance concerns.

C&A has a team including around 60 people globally, assessing our supply chain and conducting unannounced social and environmental audits at supplier factories. Our Sustainable Supply Chain team follows-up on the findings and develops Corrective Action Plans including clear timelines for suppliers for remediation. We do not only focus on Tier 1 level in our social and environmental audits. Since 2015 we have progressively incorporated all laundries, dying houses, and a very significant number of textile mills. As part of our social and environmental methodology back in 2015 we also incorporated the possibility to carry out offsite interviews during our audits. Our utmost interest is to preserve worker information anonymous and in some cases, we prefer to meet them in public spaces outside of the factory premises. When there are breaches of our Supplier Code of Conduct, we invite suppliers, C&A employees, and workers in our supplier’s factories to let us know through our Fairness Channels, where breaches can be escalated to management anonymously.”

H&M

“Freedom of association and collective bargaining are rights that enable decent work. We respect and protect these rights in several ways: through the implementation of our minimum requirement routines, by promoting and implementing our GFA with IndustriALL and IF Metall, by supporting country strategies for ACT, and through our capacity building programs at factory level. We have and assess a variety of grievance mechanisms, including joint H&M Group-IndustriALL affiliate committees in Bangladesh, Cambodia, India and Indonesia that function as case handling mechanisms for any violations of rights. We are in contact with local IndustriALL affiliates in India to handle this case in our National Monitoring Committee there.”

J.Crew

“Our *J.Crew Supplier Code of Conduct* requires that vendors and factories producing merchandise for J.Crew support fair working conditions and freedom of association for all workers. When we heard about the labor allegations against Chiefway, we conducted an independent investigation with a reputable 3rd party firm which included a two-day visit to the factory, interviews with factory management, a review of key documents and records, and interviews with current and past employees. Based on our comprehensive investigation, and continued communications with the vendor and factory, here is our response to the various issues you cited:

1. The factory is maintaining the Employees’ Council as a parallel body, indicating a continuation of anti-union practices.

Based on our understanding, Sri Lankan law mandates that employers establish an Employees’ Council to allow workers to provide input to management regarding their interests, welfare, and well-being. Both union and non-union workers participate in the EC in Chiefway, and we have no evidence that this worker organization is inhibiting the collective bargaining process between union members and management. In fact, Chiefway recognizes the union and continues to have open dialogue and negotiations with it, including meetings which have routinely taken place.

2. Employees were terminated on “disciplinary grounds”.

The incident which resulted in 23 workers being suspended was a very severe one involving threats, violence, and members of factory management being taken hostage. Based on a factory investigation, video footage, a police investigation, interviews and other evidence, the factory decided to suspend those involved and have the case reviewed and handled by the Department of Labor. The workers have representation, and the case is awaiting adjudication. J.Crew and Chiefway will support the final decision, and the factory will take action based on that decision.

3. Employees were refused work during the COVID period.

Our investigation did not find evidence that workers were denied work during the COVID period. The factory sent out communications to workers and reopened as soon as it was safe and legal to do so.

4. Union dues checkoff are still pending.

The manner in which union dues are collected can take many forms and it is an item that must be agreed between the factory and the union. We encourage the union and Chiefway to continue to negotiate this and any other open issue during collective bargaining...’

Next

Part One

“NEXT respects the human rights of people employed within our business as well as our contracted supply chain. Our directly employed Code of Practice teams around the world work diligently to achieve this objective in line with the United Nations Guiding Principles on Business and Human Rights.

NML has regular conversations with FTGSUW and members of the JCC to ensure continued engagement on the evolving issues which thereby leads to a committed ongoing relationship. NML has taken into consideration the economic hardships that people in Sri Lanka are currently face and has provided financial assistance to employees. This has been much appreciated by the employees. We will continue to engage with our employees through the available channels to ensure that they have the opportunity to raise their views and any grievances received are addressed through the grievance mechanisms in place.”

Part Two

The below breaks down the case study outlined in the report covering NML and provides Next’s response to specific allegations raised.

1. *Allegations of union-busting and related abuse at 13 factories were revealed through the interviews for this report, which have been used as case studies throughout. These factories supply, or have recently supplied to, at least 17 global fashion brands and retailers, including ... [other brand names redacted] and Next. However, it is important to underscore that this is an industry-wide problem. Nevertheless, elements of good practice were identified. Following sustained international pressure, one brand – Next – signed a landmark collective bargaining agreement with a supplier factory in Sri Lanka and the Free Trade Zones and General Services Employees Union in October 2021.*

2. Case study: Landmark CBA signed at Next Manufacturing Limited

“During the pandemic some brands did respond well, due to pressure and campaigns. For example, Next finally signed a CBA with our union. Other brands did not respond well, they talk lots and do nothing.”

Anton, Joint Secretary of FTZ&GSEU

On 22 October 2021, the trade union branch office of the FTZ&GSEU set up at Next Manufacturing Limited signed a CBA with the factory – the first CBA in Sri Lanka’s largest free trade zone and the second ever CBA successfully negotiated in Sri Lanka’s garment sector.

Next Response: INCORRECT. Prior to us signing our CBA, ATG, UTP, Star Garments, Midas, Lanka Leather Fashion and Chiefway had also signed similar collective agreement.

Under the collective agreement – which lasts for two years – the factory has agreed to discuss workers’ terms and conditions and demands submitted by the union, set aside time for the union to hold meetings within factory premises and provide training and development programs for workers.

The union had initially formed in January 2021, following a successful action by garment workers to win back unpaid bonuses at the factory – which is owned by Next.

Next Response: It was communicated to the workforce that 50% of the bonus would be paid to the workers in December 2020 as the factory financial situation was concerning and that the balance 50% would be paid at a later date, however, the employees went on strike regardless.

During the formation of the union, workers reported intimidation, threats, and discrimination by the factory.

Next Response: INCORRECT. We refute this statement as we were in continuous communication with the workers council (JCC).

Despite multiple requests from international groups and nearly half of the workforce joining the union, at first, Next did not recognise, and refused to engage with, the workers’ union.

Next Response: INCORRECT. Total membership of the FTZ&GSEU was 437 (20%) out of 2173 employees. There are currently 322 union members.

Next also cited COVID-19 travel restrictions as a reason why discussions could not take place, even though union branch leaders and managers working in the factory,

Next Response: The Ministry of Health & Public Health Inspectors refused to approve any meetings with outside parties as per the Covid guidelines mandated. We had 300+ positive cases within the factory at the time. Further, face to face meeting were delayed due to the outbreak of Covid-19 within FTZ&GSEU office.

as well as Next managers outside Sri Lanka, had been in communication remotely via video conferencing for other meetings.

Next Response: The first 2 meetings were conducted via Zoom and other meetings were held in a separate location at WTC Colombo, in a private meeting room with PHI approval.

On 30 March 2021, after a global campaign led by labour rights organisations, Next confirmed recognition of the union as representative of its workers in the factory and stated that it would engage with them in collective bargaining. Anton, Joint Secretary for FTZ&GSEU said: “The Next employees’ struggle is particularly inspiring, as employers are trying to use the pandemic to bust unions. Despite this, employees were able to sustain their unity under tremendous pressure...”

Next Response: INCORRECT. There was no union busting taking place; on the contrary there were regular discussions taking place with the newly formed branch union and the workers council (JCC).

While previously the factory management allegedly failed to respect workers' rights, Anoma – the secretary of the union at the factory

Next Response: INCORRECT. We strongly refute that there was a failure to respect workers' rights. We worked – and continue to work - with the JCC in a cordial relationship.

– explained how the factory management has now started working with the union and progress is being made. While the union has worked to advance workers' rights during the pandemic, it has also been instrumental in shielding workers against the more recent economic crisis in which garment workers are struggling to survive – and has recently secured a temporary relief allowance of 5,000 rupees a month to support workers.

Next Response: This was initiated by the factory management before the union reached out to us. We did a competitive survey and rolled out a second base wage increase of LKR2,750 in April 2022 (an annual increase was given in Jan 2022 of LKR2,750). In recognition of the continued hardships on the ground, an economic relief allowance of LKR5,000 per month was also provided from April 2022 to August 2022.

OVS S.p.A

“...To guarantee freedom of association is with no doubt one of our priorities -as it is the main lever of change- in the collaboration with our suppliers. We'll deeply analyze the situation to define a remediation program where necessary.”

Sainsbury's

“We are investigating these claims.”

HUGO BOSS

“...HUGO BOSS has upheld a long business relationship, based on mutual trust, with [Lanka Leather Fashion Pvt. Ltd.] for more than ten years. We are aware of the discussions on freedom of association and have engaged in an extensive dialog with various parties including the factory management, the middle management, and a union member in order to enable a solution. Even though progress has not been rapid, due to the political instability and the current circumstances in Sri Lanka, we do perceive that our measures, such as an audit for the assessment and a consequent on-site training on freedom of association and collective bargaining, have gradually improved the stakeholders' understanding of the requirements based on the HUGO BOSS Supplier Code of Conduct. We will continue to closely monitor the effects of the multiple measures we initiated. Should we see no positive developments over the next months, we reserve the right to assign an independent investigation...”

Under Armour

“...We have engaged with Hojeon to reiterate our expectation that it, and its facility PT Kahoindah Citragarment, meet all applicable requirements including their legal and code of conduct obligations to the facility's employees and their representatives.”

Primark

“These claims are very concerning. It is extremely important to us that the rights and safety of the people who make our clothes are respected in the workplace. Ensuring freedom of association and the safety of workers are among the cornerstones of our Code of Conduct, a condition of doing business with us. Compliance with these standards is monitored by our team of 130 experts on the ground in our sourcing markets, alongside our third party auditing partners.

We investigate every issue brought to our attention about Primark-approved factories and all efforts are made to resolve where possible. We are in contact with the Garment Labour Union regarding these claims and will investigate these as a matter of priority as soon as the name of the factory concerned is supplied to us.

Should our investigations uncover any failure to comply with our Code of Conduct, our Ethical Trade team will work with the suppliers and factories to agree an immediate corrective action plan.”

Supplier responses

Chiefway

“...1. Chiefway Katunayake refused to acknowledge new unions formed by the FTZ and GSEU in its factory during the pandemic. We categorically deny the above allegation considering the below facts, where the company has continued its constant communication from the very first communication received from the FTZ and GSU union regarding its formation. Thereafter the management and the FTZ and GSU has continued to have many meetings... Therefore, we categorically deny the fact of any kind of refusal from our part at the formation of branch union which has no grounds...

2. Chiefway Katunayake undertook union-busting practices, including victimizing union leaders, manipulating workers and offering union leaders promotions for the purpose of getting them on the side of management. We strongly deny the above allegation... Considering the above details mentioned, it is clearly showcasing that Chiefway Katunayake Private Limited has ensured a work environment where the FTZ and GSU union members were provided many opportunities to associate freely and engaged in their union activities from year 2020 to up to date.

Therefore, considering above ethical relationship with FTZ and GSU branch union and the management, Chiefway Katunayake Private Limited is strongly deny all the above allegations levelled against us...”

Crossline Factory & Crossline Knit Fabrics

“...Incident-1: Just before the last Eid-ul-Fitr holiday/Ramadan (9 th May 2021), some workers (Approx. 22 workers) of Crossline Knit Fabrics Ltd. from Finishing Section had stopped working on the emergency product shipment and created an uncontrolled situation for the company. Management has issued show cause letter to those 22 workers and identified that among those workers there are three workers who had fueled to create this situation. Afterwards subject to an investigation as per law, these three workers were found guilty and dismissed under section 23 (4) “cha” of the Labor Act and others were found not guilty for this. Incident-2: Afterwards with the issue of dismissal of three workers, other workers from the same section have stopped working and just sitting in the workplace since the opening of the office after EID-UL-Adha Holiday on 01/08/21, raising the demand to

allow those three workers to rejoin and behaving badly with the staffs and management. They also stopped work in the same way on 02/08/21 and at around 9:45 am and they start to protest and gather all other workers to protest and together they beat some of the HR admin officials on that day. Those beaten staffs were send to the hospital where the condition of 2 officers was alarming. To control the situation management had deployed industrial police on 03/08/21 and for incident of beating factory staffs management has issued show cause letter to 14 workers and hanged the notice to the factory gate and declared these 14 workers temporary suspension for further investigation and they were not allowed to enter the factory. At the same time the previous three workers who were dismissed earlier was demanding that they had got less benefit then they should get as per law. Management had confirmed that they arranged the payment as per law. At the same time all the workers of Crossline Knit Fabrics Ltd were protesting on that day due the suspension of 14 workers and even though they were asked to join the work through various discussions, but they did not do any work all day. To solve the situation a meeting was arranged with the workers who were suspended for beating the factory staffs in factory premise by management in presence of industrial police officer from police station and the present elected councilor of the area During the meeting management offered to pay them resignation benefit without taking any disciplinary action against them as resignation benefit is higher than dismissal. Management has also decided to pay some additional amount to those 14 workers and previous 3 dismissed workers that is 2 month basic salary as additional benefit to the resignation benefit. After this meeting workers had come back to factory for work on 04/08/21 and payment for voluntary resignation of those 14 workers and previously dismissed 3 workers was going on while one of the accused female worker who informed that she is pregnant so she need to paid the maternity benefit as well. Management has said as she didn't inform till now that she is pregnant so she need to submit some document to prove that she is pregnant and then with next 2-3 days they will pay the maternity benefit but she was demanding to pay the maternity benefit on that day. As the management said they can't on that day as it will take 2-3 days and she need to submit document. As per the interviewed workers representatives and workers she was very unhappy and called her husband who works in Crossline Factory (Pvt.) Ltd. and her husband inform workers of Crossline Factory (Pvt.) Ltd. his wife is harassed by management of Crossline Knit Fabrics Ltd and they are not paying her benefits. So the workers of Crossline Factory (Pvt.) Ltd. get excited and all the workers of Crossline Factory (Pvt.) Ltd. join with the workers of Crossline Knit Fabrics Ltd and some workers from both factories attacked and vandalized the office room, injuring several officials. Management observed that the situation is not normal even after the police have been deployed. So management decided to declare both of the factories close from 05-08-21 until further notice to control the situation as per Section 13 (1) of the Labor Act and deployed industrial police in factory gate. On 05-08-21 workers continues their protest as the factory was suddenly declared closed. Workers got excited at some point and there was clash between protesting workers and Industrial Police while both police and workers were injured. The workers whose were involved in this clash accused under the criminal law and a case was filed against the above listed workers on 06/08/2021 by police. Also management has issued showcase latter to another 95 workers from Crossline Factory (Pvt.) Ltd. and 54 workers from Crossline Knit Fabrics Ltd. who were directly involved in the beating and vandalism of factory offices and production officers on 4th August 2021 were charged under Section 2006 (23) (4) (sha) of the Labor Act, and issued a show cause notice to them, including temporary dismissal. But they did not provide any written reply. Also management filed criminal case in police station against workers whose were involved in the clash and vandalism of factory. Incident-3: In order to open the factory in a peaceful manner, a meeting was arranged on 08/08/2021 at BKMEA office in presence of Deputy police Commissioner, Asst Director DOL (department of labor), Asst. Commissioner and Executive Magistrate, Additional SP, Industrial Police, Labor Inspector department of inspection for factories and establishment, Gazipur 52 no ward Councilor, Worker, Factory PC committee members and various worker federation leader. According to the tripartite agreement, the decision was taken to open the Knitting and Dyeing on 09/08/2021 and the garments on 10/08/2021. According to the decision, all the workers who were involved in vandalism and fight on 02/08/2021, 04/08/2021 and were involved in a fight

with the police on 05/08/20 in the context of a criminal case. Against them (149 workers) letter was issued for temporarily suspended with show cause notice sent to their present and permanent address by government post and courier. They will be subjected to investigation as per the law and if found guilty they will be dismissed and if they are found not guilty the management will retain them in their current job position in the company. Later on while both of the factories open and started their operation as per the tripartite agreement. The accused workers verbally approached the Participation Committee outside the factory several times to resolve the matter with the factory management without any legal trouble. On request of the Participation Committee member, the accused workers were allowed to voluntarily pleaded guilty under Section 2006, 23 (4) (sha) of the Labor Act and agrees to settle the job and take all the dues accordingly as per voluntary resignation. Though criminal case were filed by the company against workers on a number of issues in police station, it was settled through a tripartite settlement agreement where management and worker will not raise any further issue (management, workers representative and accused workers). Total 141 workers appeared through tripartite signing and received all their dues on 18/08/2021. All the documents had submitted to DOL. However other 8 workers from the total 149 accused workers did not agree on that tripartite settlement and they were proposed to settle the as per law requirement hence the investigation has been finished as per law...”

Panarub Industry

“(Regarding the allegation that Panarub Industry)...(f)ailed to adequately protect workers from COVID-19 and that many workers became infected, and 10 who died: COVID-19 is a global pandemic occurred in all the world, including Indonesia; PT. Panarub Industry’s location and workers’ home area are also impacted of COVID-19; In regards to COVID-19, PT. Panarub Industry has maximally done prevention and handling COVID-19 in order to prevent the spread occurred in the workplace, which are: Implemented strict health protocol in PT. Panarub Industry’s workplace for all employees and visitors, such as wearing masks, body temperature’s testing in-out area, social distancing, disinfect all work areas regularly, etc.; Implemented Work from Home to all work / job / task that can be done at home with full payment; Conducted COVID-19 routine checking/test to all employees; Distributed vitamin to all employees regularly to increase body immune; Collaboration with several hospitals nearby to get medical priority for employees who are positive of COVID-19; Collaboration with local government & COVID-19 Task Force in preventing the spreading and handling of COVID-19 in PT. Panarub Industry; Supported the surrounding local community and employee’s families who impacted to COVID-19; Even though all measures have been taken to the maximum, we are aware that there are still employees who are affected by Covid-19, given that the spread can occur anywhere.

...(Regarding the allegation that Panarub Industry)...Slashed workers’ wages in half between June and August 2020: COVID-19 pandemic impacts to almost all companies’ business in Indonesia, including PT. Panarub Industry; One of COVID-19 impacts in PT Panarub Industry is the significant order decreasing; In regard to COVID-19’s impact towards business continuity, Ministry of Manpower released Circular Letter regarding workers protection and business continuity due to COVID-19 prevention & handling; To prevent the termination of the workers, therefore management of PT Panarub Industry issued a policy about furlough for workers of PT Panarub Industry for the time being, which the terms are as follows: - Pay 50% salary during furlough on July 1st -3rd; August 4th -7th ; and August 31st – September 8th 2020. Deduction 50% of salary only for furlough on the above date (based on daily salary calculation). Thus, the deduction is not 50% of full month salary; That policy has been discussed & agreed by the majority of the Labor Unions in the company which are SPSI, SBGTS, and SPN, also communicated to SPERBUPAS-GSBI Union and all workers; The policy of salary deduction during furlough conducted in PT. Panarub Industry is in accordance with Circular Letter of the Minister of Manpower and also informed to Local Government...”

Appendix 3: List of union acronyms

- **BGIWF** Bangladesh Garment & Industrial Workers Federation
- **BIGUF** Bangladesh Independent Garment Workers Union Federation
- **CATU** Cambodian Alliance of Trade Unions
- **CCAWDU** Coalition of Cambodian Apparel Workers' Democratic Union
- **FTZ&GSEU** Free Trade Zones and General Services Employees Union
- **GLU** Garment Labour Union
- **GSBI** Gabungan Serikat Buruh Indonesia
- **SPN** Serikat Pekerja Nasional



Business & Human Rights Resource Centre

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Business & Human Rights Resource Centre is an international NGO which tracks the human rights impacts of over 10,000 companies in over 180 countries, making information available on our 10-language website.

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