

“I Came Here with So Many Dreams”

Labor Rights Abuses and the Need for Change in Mauritius’ Apparel Factories

December 2023

Appendix A: **Buyer and Manufacturer Responses**



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1.0 DDI Buyer Group Responses

The DDI buyer group—comprising Centric Brands, Diesel, The Foschini Group, and G-Star RAW—sent the following responses to Transparentem’s investigation:

- 1) June 14, 2023: Response to PIN Findings at Denim de l’Ile Ltd. Questionnaire No. 2
- 2) July 31, 2023: Additional joint response to Transparentem from the authorized representatives of Centric Brands, Diesel, G-Star RAW, TFG, collectively referred to as “participating brands/ participating buyers” relating to Denim de l’Ile.



Response to PIN Findings at Denim de l'Île Ltd.
Questionnaire No. 2

NOTE: This is a joint response from authorized representatives of Centric Brands, Diesel, G-Star RAW, TFG, collectively referred to as “participating brands/participating buyers”, concerning due diligence at Denim De l'Île following receipt of Transparentem’s PIN. All responses are collective unless otherwise noted.

Contact Information

Name of person submitting this response:

Title:

Email:

Date: 14-6-2023

Completion Deadline: March 20, 2023

Overview

As part of Transparentem’s engagement with companies, we are asking you to please respond to a series of questionnaires; this is the second of the series. Your responses will help to inform our eventual public reporting on company efforts related to our investigation of working conditions at Denim de l'Île.

We have divided the questions below into the following categories: factory-level assessment, findings and access to remedy, and sectoral/regional improvement. We have also included an open-ended question at the end, where you can provide any information not covered in these sections.

Please send any relevant documentation to Transparentem (including audit reports, corrective action plans, root cause analyses, policy documents, etc.) and be sure to note any areas where we may be able to provide further support. We encourage companies to include as much on-record material as possible. Please mark any materials that are confidential or not for attribution as such and send it as a separate file. We may use any materials marked not for attribution to inform our reporting on progress, but will not quote from them or attribute them to your company.

Factory-level Assessment

1. As a result of Transparentem’s investigation, has your company assessed conditions at Denim de l'Île, either individually or as part of a collaborative group?

Yes

- a. If no, please explain:

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- b. If yes, please provide Transparentem with a copy of the assessment or audit reports, and confirm which buyers were part of the effort. Please also address the following questions:

Remediation plan with the findings and expected remediation attached separately. Participating buyers are: Centric Brands, Diesel, G-Star RAW, TFG.

- i. Who conducted the assessment or audit?

Verité

- 1. Were assessors aware of Transparentem's findings?

Yes

- 2. Please provide any other information about the assessors' background and previous experience in uncovering forced labor indicators and recruitment violations.

Verité has been providing related and customized assessments for 25 years with a history of work over 70 countries.

- ii. Over what time period did the assessment take place?

Jan 25 - 26, 2023

- iii. Was the visit announced to the factory? Please describe if there was notice given, to whom, and how far ahead of the visit.

Semi-announced (two weeks window date provided).

A semi-announced audit means that factory is provided with a timeframe that allows appropriate personnel to be on site. In addition, an unannounced audit is not practical in Mauritius due to the need for letter of invitation to enter the country. Based on the discussion with Verité, a semi-announced audit was the appropriate option to obtain an invitation letter as well to ensure the presence of the appropriate personnel at the factory.

- iv. Please describe the methodology for conducting worker interviews, including:

- 1. At what location(s) did assessors conduct interviews? Were these locations on or off factory grounds?

Interviews conducted in both working space and dormitories.

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2. Please explain if there were any management representatives present during worker interviews.

Confidential interviews conducted without management present during worker interviews.

3. In what language(s) did assessors conduct interviews?

Bangladeshi, Malagasy and French Creole

- a. Was this the workers' native language?

Yes

4. How many workers were interviewed?

152

- a. What percentage of the total workforce did they cover?

Verité interviewed a total of 152 foreign contract workers (FCW) representing 12% of total FCW and 8% of DDI's total workforce. DDI hires foreign contract workers (FCWs) through a direct referral system as well as indirectly through labor agents in the sending country.

- b. Please provide the demographics of the workers interviewed, for example by gender, migrant/local workers, migrants by nationality, workers residing in company-provided housing, time employed at the factory, role within the factory, or any other category measured.

55 workers from Madagascar and 97 workers from Bangladesh were interviewed.

5. How were the interviewed workers selected?

Interviewed workers were selected by Verite according to its protocols and in compliance with global accepted standards and practices.

Following the opening meeting on the first day of the assessment, Verité selected a statistically significant random sample for each nationality present among foreign workers for interview. Where practicable, gender, service, shift, and employment category were

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factored into the selection criteria. A mix of individual and group interviews was conducted.

Interviews were also conducted at the dormitory. As findings emerged, the team also focused their attention on particular groups of workers to ensure that particular risks were covered (for example, focus was put on particular workers or demographic features on day 2 based on information collected from day 1).

6. What was the typical duration of a worker interview?

30 – 45 minutes

7. Did assessors provide workers with a direct channel to follow up with them after the assessment, or to report additional issues?

Yes

a. If so, please describe this channel and if it has been used since the assessment.

Verité did provide contact information to workers interviewed.

8. Were workers ensured that they could speak freely, without fear of retribution? How was this guaranteed?

Yes – Interviews were conducted confidentially, one-on-one, in private locations.

v. Please explain if the assessment covered both living spaces and working spaces, and describe which units within the factory were involved.

The assessment was conducted on-site at the factory premises and at nine sampled dormitories (out of 19 operational ones & 20 dormitories in total) accommodating foreign contract workers.

vi. Please describe the involvement of the following groups in the assessment, if utilized:

1. Local NGOs

Verité and the team that conducted the assessment is from an independent NGO.



2. Independent translators

Not applicable as Verité conducts the interviews in the workers' native language.

3. Labor rights experts

Included in the expertise of party conducting assessment.

4. Experts in gender-based violence and harassment (GBVH)

Included in the expertise of party conducting assessment.

vii. Please describe any specific measures taken to detect GBVH.

As part of all worker interviews, a host of fair treatment issues were covered, including all forms of harassment (including sexual, verbal, physical, and psychological ones). This also includes all forms of discrimination. In addition, information was triangulated with management discussions and documentation review (such as policies and procedures as well as any grievance / complaint records).

viii. Please describe any mechanisms in place to control for audit deception. Audit deception examples include but are not limited to: falsifying records, coaching workers to lie to auditors, or providing necessary safety equipment only in the presence of auditors.

Verité follows industry-standard procedures for triangulation of audit datapoints.

ix. Please note any challenges encountered in the assessment process.

No exclusions or limitations were found during the assessment.

x. Please share any other relevant information related to the assessment.

N/A

Findings and Remedy

2. Please describe evidence detected by the assessment related to the following issues uncovered by Transparentem's investigation (or flagged as risks), alongside any root cause analysis conducted on the issue, and an explanation of the remedy provided:



a. Recruitment fees and recruitment-related debt

Findings: Please provide any findings and information related to worker-borne recruitment fees and related costs including types and amounts paid, debt incurred, and who received payments from the workers.

During the investigation no recruitment fees were found to be paid by workers to DDI, DDI representatives, labor agents appointed by DDI or any third party directly related to the factory to secure work at DDI.

Some workers did indicate that they provided gifts or made payments. These gifts were made willingly as tokens of appreciation or gratitude. Those other amounts were not associated to recruitment fees, but rather viewed as payments for legitimate services rendered by third parties (unrelated to DDI or the recruitment agency appointed by DDI) for which workers had no complaints or objections.

After the investigation it's been confirmed that DDI has written agreements with the hiring agents in Bangladesh and in Madagascar which both prohibit the use of any kind of sub-agent and state that no fees can be charged directly or by unfair means to the workers in connection with their recruitment.

Through the audit, we learned of a previous practice related to recruitment fees applied by a Dhaka-based agency, which is no longer a provider of services for DDI. All workers interviewed confirmed such practice was ended in 2016. Therefore, the recruitment fees practice is both confirmed as stopped, no longer implemented, and conducted in a period of time prior to the participating brands utilization of DDI as a supplier

Remedy: Have workers at Denim de l'Île been reimbursed for recruitment fees and related costs?

During the investigation no recruitment fees were found to be paid by workers to DDI, DDI representatives, labor agents appointed by DDI or any party directly related to the factory to secure work at DDI, therefore no reimbursement has been included in the remediation plan.

Even though no recruitment fees were detected, DDI is required to implement a strict vigilance and monitoring mechanism to identify future cases of facilitation payments by third party unrelated to the recruitment agency or others at village/district level and support their prevention.

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In addition, DDI management are expected to review the post-arrival interview mechanisms as well as implement other fully anonymous channels for workers to report future potential fee payments and other ethical recruitment issues.

- i. Please explain the process for reimbursement including:
 1. How the amount owed to workers was calculated,
 2. Total amounts reimbursed,
 3. Time frame for reimbursement,
 4. Responsible party/ies for bearing the cost,
 5. Mechanisms for making reimbursements (such as cash, check, bank deposit, etc.)
 6. How the implementation of the effort will be monitored, and
 7. How the effort will be communicated to workers

N. A. DDI is expected to follow the recommendations set above.

- ii. What measures are being implemented, and by whom, to ensure no worker pays for their job moving forward?

Close monitoring will continue on an ongoing basis by the participating buyers utilizing a remediation plan with the above expectations towards the factory to ensure zero recruitment fees.

An additional effort will be undertaken in Bangladesh to gain a better understanding of recruitment practices beyond the direct labor agent.

b. Deception

Findings: Please provide any findings of deception in the recruitment process including deception around wages, living or working conditions, unclear contracts, providing contracts without sufficient time for review of contracts or any other issues.

No findings of deception in relation to living or working conditions, unclear contracts, providing contracts without sufficient time for review of contracts or any other issues could be detected in the investigation.

From the investigation it emerged that deductions for food and accommodations are legally permitted in Mauritius. The report also shows that deductions are made for food and accommodation by DDI (this has been confirmed through interviews and by salary-slip checks). However, some workers indicated that they were not informed about such



deductions during the pre-departure orientation in their home country or during induction training.

Remedy: Is your company working with Denim de l'Île to enact greater oversight of recruitment agents' practices to combat deception? If so, please describe how.

Based on the interviews outcomes, DDI is expected to review and, if necessary, update the Recruitment Policy for Migrant Workers, and any process for communication to guarantee a clear understanding by workers of all employment terms and conditions, including food and accommodation deductions when applied, at any stage of the recruitment or onboarding process. DDI is also requested to provide all workers with the latest copy of their Contract of Employment.

- i. How is your company guaranteeing that workers are provided with accurate, clear, and understandable terms of employment before committing to the job or leaving their home country?

Close monitoring will continue on an ongoing basis by the participant buyers utilizing a remediation plan with the above expectations sent to the factory to ensure the implementation and maintenance of DDI Human Rights policy, as well as other relevant policies, which should include but not be limited to clear employment terms awareness and transparency.

c. Abusive working and living conditions

Findings: Please provide any findings related to crowding in dormitories, condition and accessibility of bathroom facilities, food quality, bedding quality, presence of pests or insects, temperatures in the living and working space, access to medical care, ability to take sick leave, or other issues.

Out of the 20 total dormitories, workers from DDI currently stay at 19 operational dormitories, of which 9 were visited by Verité.

Three of these dormitories are directly owned by DDI and located within the factory premises. The rest of the dormitories are in rented buildings located outside the factory. While some health and safety issues were found during the investigation, in a follow-up DDI has shown that all dormitories are approved by the relevant authorities (Ministry of Health, Mauritius Fire and Rescue Services and the Ministry of Labour) and have all the relevant permits in place. This also

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means that the dormitories do meet the standards required by the Mauritian Authorities to operate. DDI also communicated to the brands that regular visits are carried out by the relevant Authorities and if issues are raised, they are immediately addressed.

Health and safety issues found during the visits relate to dated buildings and/or unsafe and/or unhygienic conditions.

Remedy: What improvements have been made to living and working conditions and how will they be sustained?

DDI agreed to improve the process for ping the periodic review of the status of the dormitories during Workers Council meetings as well as better documentation thereof.

A long term plan has also been set up to replace older dormitories with new ones and move workers to those recently built or renovated. New dormitories are being built in a village located 5 mins from the factory. Centralizing most of the dormitories in one area will allow better management of the workers' accommodation.

In addition, a new Dormitory Housekeeping Supervisor will be hired (alongside the already present 5 full-time cleaners and 1 full time Maintenance Officer, solely working on dormitories and in charge of making repairs depending on the urgency), who will ensure that issues are identified in a timely manner. Any major repair is reported to the dormitory owners for further actions.

Some other action points have been agreed on in relation to health and safety issues such as the process of providing trainings to residents, including the review of safety procedures, the removal of obstructions at assembly point, and other periodical maintenance checks.

d. Intimidation and threats

Findings: Please provide any findings related to threats of deportation or other negative consequences used to discipline workers or to curtail activities that should be protected (e.g., organizing, raising grievances).

No evidence was found regarding coaching among workers. Auditors were able to freely access the workplaces and dormitories and freely interact with the workers and the members of the worker council. Nor were threats of deportation reported during the investigation.



However, workers reported being criticized by supervisors for minor production mistakes.

Remedy: How is your company working with Denim de l'Île to ensure that intimidation and threats are not used as a management tactic at Denim de l'Île?

- i. Please describe any rights trainings provided to factory workers and management, including an explanation of content and frequency.

No intimidation or threats were found during the assessment, however DDI has been requested to:

Provide a comprehensive operating procedure for the Human Rights Policy statement to be communicated through training of managers, supervisors, and workers. Any review and/or change in such Policy and any other relevant one must be followed and actively shared through trainings, to be documented and recorded.

Investigate potential cases of verbal abuse and ensure that all supervisors and managers are appropriately trained on positive management techniques.

Provide periodic and effective training to the managers, supervisors, and all workers on the grievance mechanism and any disciplinary policies and procedure.

e. Inadequate response to grievances

Findings: Please provide any findings related to deficiencies in whether or how Denim de l'Île responds to grievances, or in the suitability of the mechanisms provided.

DDI has a grievance mechanism, but it was found to be not fully effective, as grievances raised by workers may have not resulted in a resolution or in a follow up communication by management, nor in actions scheduled or taken to resolve the issue. Grievance records were found to be out of date, with entries in the wrong chronological order.

Remedy: Please describe how your company is ensuring that workers are easily able to access grievance mechanisms that are effective, anonymous, independent, and available at no-cost to workers.

As part of remediation, DDI is required to:

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Review and update the grievance procedure and offer different solutions for the workers (anonymous complaints, workers councils etc.). Update the grievance record and ensure that it is maintained properly, kept up to date and that all grievance complaints are documented, including those received verbally from workers.

The grievance redress mechanism needs to be effectively communicated to each worker and periodic training needs to be provided to the workers on the grievance redress procedures. All such training needs to be documented.

f. Insufficient worker representation

Findings: Please provide any findings related to restrictions on workers' freedom of association, or workers' poor understanding of their right to organize.

No evidence was found regarding restrictions of freedom of association. There is a Workers' Council at DDI. The factory issued a memorandum for nomination of candidature for three separate Workers' Councils, including a Council for Mauritian workers, Malagasy workers, and Bangladeshi workers. After the memorandum was issued, it was reported that workers then informally submitted a list to the management of workers they nominated as Council members.

During the investigation some workers reported that they perceive that Council members are selected based on their cordial relationship with management. Other workers shared that they were not aware of the existence of the Workers' Council. In addition, the procedure for selecting Council Members is not documented or recorded.

Remedy: How is your company ensuring that workers' right to organize is respected at Denim de l'Île?

DDI is required to:

Review the process for selecting members of the Workers Council and ensure that such process is formal and democratic in nature, easily accessible to all workers and fully documented.

Provide all workers of the factory with clear communication through awareness and training programs regarding the roles, responsibilities, mechanisms, and functions of the Workers' Council. All communications should be documented.

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Support the engagement between the Councils and the workers and to proactively reach out to the workers not only to make them aware about the existence, roles, and responsibilities of the council but also to gather their feedback and identify issues/problems/grievances and bring it to the council meetings.

The Workers Councils are expected to work alongside other grievance mechanisms already in place at DDI such as direct contact with supervisor/foreman/Manager, through the Human Resources Department where they can speak to either the Bangladeshi Liason Officer or the Human Resources Manager/officer.

All types of grievances, problems, and issues of workers should be discussed in the council meetings. Actions taken on each item must be part of the meeting minutes.

g. Under-payment of wages

Findings: Please provide any findings related to incorrect or under-payment of wages at Denim de l'Île.

There was no evidence of underpayment of wages.

Remedy: How is your company ensuring workers are receiving back-pay for any past under-payment of wages, as well as ensuring that migrant workers are paid in full, including for overtime, receive clear and accurate pay slips and do not face unfair deductions, moving forward?

N.A. [Since no evidence of underpayment was detected, no remediations has been requested on this topic]

h. Gender-based violence and harassment

Findings: Did your company's assessment find any evidence of gender-based violence and harassment (GBVH)? Please provide all relevant details.

There were no findings of gender-based violence or harassment.

Remedy: Please describe all actions taken, if instances of GBVH were found. Please explain if such instances were investigated further and by whom, consequences faced by perpetrators, and remedial services provided to any affected workers. Please also describe any actions taken to strengthen detection and prevention of GBVH.

N.A. [Since no evidence of GBVH was found no remediations has been requested on this topic]



3. Did your company's assessment find evidence of other problems not listed above? If so, please describe the details of what was found and any remedial steps.

The group of brands will continue to work together and engage with DDI in relation to any additional findings. Any further concerns will be discussed and remediated together with DDI as appropriate.

4. Did your company conduct a root cause analysis to identify and understand the underlying causes for each of the issues listed above? If so, please explain what the analysis found and how these are being addressed.

Root causes were determined in the investigation by Verité as well as by follow-up meetings between brands and DDI and have been included as part of the short- and long-term solutions expected and agreed with DDI management.

5. Please provide a copy of any corrective action plan (CAP) and root cause analysis to Transparentem along with your questionnaire responses. The CAP should include details on who is responsible for remediation on each item, timelines for completion, and any current results or remaining challenges.

Remediation plan attached separately.

6. If your company did not conduct an assessment after reviewing the results of Transparentem's investigation, please explain any other mechanism for delivering remedy to workers for each of the relevant issues cited above.

N/A

Sectoral/Regional Improvement

7. As a result of Transparentem's investigation, has your company made any adjustments to its auditing policies or internal auditing mechanisms throughout your supply chains?

Answer will be submitted by each brand individually.

- a. Please provide specifics on what changed, and a copy of the current policy.

Answer will be submitted by each brand individually.



8. As a result of Transparentem’s investigation, has your company adjusted any other policies (related to ethical recruitment, grievance mechanisms, or any other issues) that apply throughout your supply chains?

Answer will be submitted by each brand individually.

- a. Please provide specifics on what changed, and a copy of the current policy.

Answer will be submitted by each brand individually.

9. Has your company joined any new industry-wide initiatives related to ethical recruitment -- or any other improvement priority -- as a result of this investigation?

All brand in the DDI remediation group (Centric, Diesel, G-Star and TFG) are taking part in the collaborative work from American Apparel and Footwear Association.

10. As a result of Transparentem’s investigation, has your company enacted any enhanced transparency commitments (e.g., publishing previously undisclosed company policies, supplier lists, or social audit reports)?

Answer will be submitted by each brand individually.

- a. Please provide specifics on what changed.

Answer will be submitted by each brand individually.

11. As a result of Transparentem’s investigation, has your company worked to identify and address similar ethical recruitment or other worker rights issues in Mauritius or elsewhere?

Answer will be submitted by each brand individually.

- a. If not, what specific plans do you have to do so?

Answer will be submitted by each brand individually.

- b. If so, have you extended remediation to other factories/countries in your supply chain? Please describe.

Answer will be submitted by each brand individually.

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12. Please describe any engagement with the government of Mauritius by your company, conducted or planned, on the following topics – or any others – related to support of migrant worker rights:

- a. Binding agreements or memoranda of understanding between Mauritius and worker-sending countries to codify proper treatment of migrant workers by recruiters and employers

Participating brands are having open discussions with AAFA with further contributions with the government of Mauritius.

- b. Changes to laws that tie migrant workers' legal status to their job

See above.

- c. Greater resources for government investigation and enforcement related to forced labor indicators

See above.

- d. Improving migrant workers' awareness of and the effectiveness of formal remedy systems

See above.

- e. Others

N/A

Additional Information

13. Please provide any further reflections or comments related to this work.

N/A

July 31st 2023

Additional joint response to Transparentem from the authorized representatives of Centric Brands, Diesel, G-Star RAW, TFG, collectively referred to as “participating brands/ participating buyers” relating to Denim De l’Ile.

1. QUESTIONNAIRE NO. 2

The participating brands submitted “Questionnaire No. 2” on June 15th and set out responses based on information provided by Verité in their report to the group, as well as through direct engagement with the factory management before and after the audit was conducted.

In that submission, it was indicated that *“During the investigation no recruitment fees were found to be paid by workers to DDI, DDI representatives, labor agents appointed by DDI or any third party directly related to the factory to secure work at DDI.”*

As part of that submission, we also reported that *“Some workers did indicate that they provided gifts or made payments. These gifts were made willingly as tokens of appreciation or gratitude. Those other amounts were not associated to recruitment fees, but rather viewed as payments for legitimate services rendered by third parties (unrelated to DDI or the recruitment agency appointed by DDI) for which workers had no complaints or objections.”*

Bangladeshi workers interviewed declined to disclose the above mentioned amounts paid *“emphasizing that they had no objections to making the payments”.*

2. STEPS TAKEN SINCE SUBMITTING QUESTIONNAIRE 2

To further investigate, G-Star undertook a visit to Mauritius to obtain more specific information regarding the existence and nature of the payments reported in the audit. Through first-hand interviews with workers, G-Star was able to establish that smaller payments were made to various parties (other than DDI or the recruitment agency) as tokens of gratitude or in exchange for services (local travel, connecting to Dhaka recruitment agency office, etc.), in line with what was stated in the Verité report.

Also, as part of this visit, additional follow up work and support was provided in relation to strengthening DDI's recruitment policy, dormitory policy, onboarding presentation, and human rights policy. Various other checklists, risk tools and safety guidelines were furnished, in addition to installing flyers on factory and dormitories premises to raise awareness on worker's rights and on the fact that no fees should ever be paid by workers in relation to their recruitment. An inspection of dormitory improvement progress was carried out and new construction was also observed.

After the participating brands' submission to Transparentem and the visit to DDI, the participating buyers had further engagement with the external auditors (Verité and ASK) with a specific view to obtaining a better and clear understanding of the nature of the indirect "payments" mentioned in the Verité report and found during the G-Star visit, and to understand how they should be viewed since both in the report and during the visit there was no mention or indication of direct recruitment fees to DDI or the recruitment agent.

During these conversations, the participating buyers specifically referred to the "ILO General principles and operational guidelines for fair recruitment and ILO Definition of recruitment fees and related costs" referenced in the Transparentem PIN, specifically principle 7 that *"No recruitment fees or related costs should be charged to, or otherwise borne by, workers or jobseekers."*

Based on further clarification sought received from the external auditors, read with relevant definitions in the *"General principles"*, the participating brands conclude that those payments made by the workers could fall within the definition of "related costs".

Subsequent to this, the participating buyers re-engaged the factory management of Denim De l'Île, presenting their view of the existence and nature of the payments falling under "related costs" mentioned by workers during the audit interviews by Verité and during the G-Star visit.

Please note, that DDI explicitly agreed with the recruitment agency on an "employer pays it all principle" which had also been included in the contract between the parties and had been

in place since 2016. In particular, such contract provides for a specific “standard fee” that DDI pays to the recruitment agency for each migrant worker hired, which should cover all costs for services and processes related to the hiring process (both by the recruitment agency and by the workers). Additionally DDI has also taken several other steps, starting from 2016, to contrast the occurrence of recruitment fees as explained in Questionnaire n. 2 already submitted and in the attached Corrective Action Plan.

Nevertheless, after the clarification of Verité and further internal discussion with DDI, a first initial deeper analysis was undertaken by the factory.

The outcome of this analysis highlighted that there are some undisclosed costs that workers may still incur into and that they may have to pay for during the recruitment process and the different trips that may be necessary to complete all formalities. An average initial expenditure range was determined at \$35.

Given the difficulties in determining a more accurate or specific value by this time, the participating buyers and DDI commit to undertaking further investigation, taking place between August and September 2023, to identify if any additional amounts were not captured in or covered by the carried-out analysis referred to above.

In any case, no matter the outcome of the further investigation, the management of DDI has committed to repay **at least** what is currently being identified as the average payment (\$35) to all migrant workers currently hired by the factory.

2.0 Firemount Buyer Group Responses

The Firemount buyer group—comprising Boden, The Foschini Group, Rodd & Gunn, WE Fashion, and two undisclosed buyers—sent the following responses to Transparentem’s investigation:

- 1) September 30, 2023: Addendum response to Questionnaire No. 2.

Firemount Brand Group
Addendum: Questionnaire Number 2
September 30th, 2023

The Firemount Brand Group would like to provide some additional information relating to the status of the audit conducted at Firemount as well as the remediation actions taken in respect to those findings.

As set out in the initial submission of Questionnaire Number 2, Verite were commissioned by the Brand Group to conduct an audit of the Firemount factory and housing facilities.

Verite has reverted with this completed audit which the Brand Group has reviewed, and from which a draft CAP has been prepared. The Brand Group has shared this draft CAP, as well as the audit report, with Firemount Management.

Firemount has disputed a substantial number of the findings made by Verite and raised various concerns relating to the audit with the Brand Group. We have received their specific complaints, as well as supporting documentation refuting those findings with which they disagree and referred these to Verite for their consideration and response.

The nature and extent of those findings disputed are however material and has meant that the Brand Group has been set back in our attempts to agree those points with Firemount management in the Corrective Action Plan.

Progress has however been made in respect to two key issues raised by the Transparentem PIN and relevant feedback is set out below in respect to:

Recruitment fees and related costs:

Verite determined through interviews that some workers paid amounts that meet the definition of recruitment fees and related costs.

As of this date and given the short time frame between the issue of the Verite findings and the submission deadline to Transparentem, it has not been possible to undertake more extensive procedures to determine with specificity the value of that reimbursement.

Additionally, some of those types of expenses asserted to have been paid by workers are being disputed by Firemount. These disputed recruitment fee types, along with the evidence supporting this from Firemount has been referred to Verite.

Despite this, Firemount has undertaken to reimburse an amount to workers relating to in-country expenses borne by workers that meet the definition of recruitment fees.

For the reasons set out above, Firemount has indicated that the value of the amounts being reimbursed has been determined with reference to similar amounts recently repaid by factories operating in Mauritius.

Management has indicated that those amounts will be reimbursed to workers at the end of September 2023, with the amount set out on workers' payslips.

Firemount has indicated that, going forward, no private recruitment agencies will be utilised in the recruitment of foreign workers. Instead, Firemount will use the services of a government-to-government recruitment arrangement.

Additionally, they have indicated that a Whatsapp number will be created to provide prospective workers with a direct channel to raise any recruitment related concerns or malpractices.

Firemount will also institute a pre-departure video call to provide prospective workers with the opportunity to share any recruitment related concerns, or to declare any sort of fees paid.

Health and safety matters relating to workers' housing

Various Health and Safety related findings were made by Verite in relation to dormitories. These were broadly classified under the following headings:

- Poor hygiene and safety conditions (e.g. foul smelling toilets, inadequate ventilation, lack of privacy).
- Structure and equipment (e.g. signs of wear and tear, varied levels of cleanliness, dust and clutter)
- Electrical safety (e.g. lack of care of electrical equipment, fans covered in plastic)
- Worker awareness (e.g. low level of worker awareness of safety topics)
- Food quality (e.g. poor food quality concerns raised by workers)

Firemount management has disputed numerous of these findings. In respect to others that were accepted, the Corrective Action Plan either reflects actions that have already been taken to remediate these, or otherwise a set time frame and action has been stipulated.

Specific improvements have been made in respect to the various findings which include, for example:

- Increased frequency of cleaning
- Provision of additional fans
- Repair to some structures
- Provision of ironing areas
- Cleaning of electrical equipment

Way forward

Our intent is to bring Firemount and Verite closer to agreement on the remaining findings that have been disputed so that a complete and accurate CAP can be agreed upon and implemented.

The Brand Group will work to ensure that findings are associated with appropriate corrective actions and that review of progress against agreed timelines is carried out.

3.0 R.E.A.L Buyer Group Responses

The R.E.A.L buyer group—comprising Barbour, Diesel, PVH, Rodd & Gunn, and Second Clothing— sent the following responses to Transparentem’s investigation:

- 1) July 31, 2023: REAL Garment Brand Group Response to PIN Findings at R.E.A.L Garments Ltd., Questionnaire No. 2

REAL Garment Brand Group Response to PIN Findings at R.E.A.L Garments Ltd.
Questionnaire No. 2

Contact Information

Name of person submitting this response: [REDACTED] on behalf of PVH Corp., Rodd and Gunn, Barbour, Second Clothing, Diesel.

Title: [REDACTED]

Email: [REDACTED]

Date: 7/31/2023

Completion Deadline: March 20, 2023

Overview

As part of Transparentem’s engagement with companies, we are asking you to please respond to a series of questionnaires; this is the second of the series. Your responses will help to inform our eventual public reporting on company efforts related to our investigation of working conditions at R.E.A.L Garments.

We have divided the questions below into the following categories: factory-level assessment, findings and access to remedy, and sectoral/regional improvement. We have also included an open-ended question at the end, where you can provide any information not covered in these sections.

Please send any relevant documentation to Transparentem (including audit reports, corrective action plans, root cause analyses, policy documents, etc.) and be sure to note any areas where we may be able to provide further support. We encourage companies to include as much on-record material as possible. Please mark any materials that are confidential or not for attribution as such and send it as a separate file. We may use any materials marked not for attribution to inform our reporting on progress, but will not quote from them or attribute them to your company.

Factory-level Assessment

1. As a result of Transparentem’s investigation, has your company assessed conditions at R.E.A.L Garments, either individually or as part of a collaborative group?

Yes, an investigation was conducted as part of a collaborative group of five brands, PVH Corp. Rodd and Gunn, Barbour, Second Clothing, Diesel (hereinafter referred to REAL Garments Brand Group).

As discussed between the brands and Transparentem on a call on 7/27, the information hereunder is a summary of the verified fact base as determined by the audit. The REAL Garments Brand Group will follow up with Transparentem in early course on outstanding matters not included here which require further clarity.

The REAL Garments Brand Group has attached the current version of the Corrective Action Plan developed with REAL Garments. The REAL Garments Brand Group will continue to monitor each remedial action and associated deadlines for completion, and the process for verification (e.g. via a third party) of those actions will be determined amongst The REAL Garments Brand Group.

Please note REAL Garments has provided photo and other evidence to the REAL Garments Brand Group regarding some of the remediation already completed, which the REAL Garments Brand Group is currently reviewing.

- a. If no, please explain: N/A

- b. If yes, please provide Transparentem with a copy of the assessment or audit reports, and confirm which buyers were part of the effort. Please also address the following questions:
 - i. Who conducted the assessment or audit?

Verité, with the assessment team comprised of auditors from Verité’s India-based partner, ASK.

- 1. Were assessors aware of Transparentem’s findings?

Yes, full findings shared with the brand group were provided to Verité in advance of the investigation.

- 2. Please provide any other information about the assessors’ background and previous experience in uncovering forced labor indicators and recruitment violations.

Verité and ASK have partnered for over 20 years on investigation of corporate supply chains with a strong focus on issues of forced labor. Verité has pioneered approaches by which companies understand and address the workplace problems and forced labor issues that are driven by labor migration. In addition to several grant and foundation funded research projects, Verité has conducted thousands of social responsibility assessments and investigations focused on forced labor in Southeast Asia, the Gulf, Europe, South Asia, East Asia, and South/Central America. Sectors covered include apparel, electronics, agriculture, and manufacturing, among others. The assessment team possessed decades of combined experience with issues of migration and forced labor. This includes the ASK assessment team lead investigator with 17 years of experience, in collaboration with the Verité project lead with 20 years of experience. Verité has been conducting similar engagements in Mauritius for over 15 years.

- ii. Over what time period did the assessment take place?

June 15-16, 2023

- iii. Was the visit announced to the factory? Please describe if there was notice given, to whom, and how far ahead of the visit.

The visit was semi-announced, with the supplier informed that an audit would take place at some point in June, to allow time to make travel/visa arrangements, and to ensure that management would be available during the assessment. This date range was agreed upon as the supplier management team indicated that their core team would be unavailable in May. Specific dates were not announced. This approach was decided upon in consultation with Verité to ensure that the auditors had access to relevant personnel and documents during the assessment. Please note that an unannounced audit is not practical in Mauritius due to the need for a letter of invitation for the auditors with relevant language skills to enter the country. Based on the discussion with Verité, a semi-announced audit was the appropriate option to obtain an invitation letter as well to ensure the presence of the appropriate personnel at the factory.

- iv. Please describe the methodology for conducting worker interviews, including:
 - 1. At what location(s) did assessors conduct interviews? Were these locations on or off factory grounds?
 - 2. Please explain if there were any management representatives present during worker interviews.
 - 3. In what language(s) did assessors conduct interviews?
 - a. Was this the workers’ native language?
 - 4. How many workers were interviewed?
 - a. What percentage of the total workforce did they cover?
 - b. Please provide the demographics of the workers interviewed, for example by gender, migrant/local workers, migrants by nationality, workers residing

- in company-provided housing, time employed at the factory, role within the factory, or any other category measured.
5. How were the interviewed workers selected?
 6. What was the typical duration of a worker interview?
 7. Did assessors provide workers with a direct channel to follow up with them after the assessment, or to report additional issues?
 - a. If so, please describe this channel and if it has been used since the assessment.
 8. Were workers ensured that they could speak freely, without fear of retribution? How was this guaranteed?

Interviews were conducted on supplier premises and at workers’ housing in private locations with a requirement that management should not be present. A strong emphasis was placed on worker interviews during the engagement. The assessment team was staffed with dedicated worker interviewers fluent in workers’ native languages.

Following the opening meeting on the first day of the assessment, Verité began selecting a statistically significant random sample of workers for interview. Gender, service, shift, employment category, nationality, and recruitment corridor, among others, were factored into the selection criteria. The field team adhered to the following general worker interview protocols:

- All worker interviews began with the Verité team member communicating the purpose and objectives of the discussion as described in the pre-interview script.
- Verité used native-speaking specialist worker interviewers to establish trust and rapport with workers and conduct the interview in the worker’s native language. Verité worker interviewers are professionals with an average of 10 years’ experience.
- Verité worker interviewers always conduct themselves professionally, respectfully, and in a culturally sensitive and appropriate fashion.
- Interviews were conducted one-on-one in private locations.
- Verité worker interviewers explained the purpose of the interview to each interviewee and seek their informed consent to participate. Workers could withdraw at any point and/or decline to answer any question at any point during the interview.
- Verité worker interviewers use a conversational approach to interviews using open ended question techniques in order to ensure that information gathered is valid and reliable.
- Interviews typically last 30 – 45 minutes.
- Verité does not permit audio or video recording of any aspect of the assessment. Client or auditee representatives are not permitted to observe worker interviews.
- Verité does not record in writing the name of any worker it interviews or provide any information to any party about the interviewees or information provided to the assessment team by individual workers.
- Information gathered during the interview phase is confidential and subject to the non-disclosure provisions of client agreements.
- Verité interviewers do not ask leading questions and are trained to ask questions in a variety of ways to ensure that the question is understood and the answer provided is consistent.
- Interviewers advised interviewees that there is no attempt to hide or obscure any answers being written down on the interview tool, and they are told that they are free to review the interview tool at any point during or after the interview.
- Once completed, the interview tools with recorded answers were in the possession of worker interviewers and/or the audit team at all times to ensure that there is no unlawful or unethical disclosure.

Workers interviewed during the investigation were as follows:

Foreign Contract Worker Interview Summary		
Country	Number	Total

Madagascar	13	13
Bangladesh	165	165
Total		178

In addition to the 178 migrant workers interviewed, the team also interacted with 15 local workers (from Mauritius). A total of 193 (178 migrants and 15 Local) workers were interviewed. Furthermore, 16 Worker Council Members (8 Bangladeshi, 3 Malagasy, and 5 Mauritius) were also interviewed through separate country-based council group meetings. At the time of the assessment, among the 22 workers from India 12 were workers and 10 were at the supervisor/management level (thus these individuals would not feature in the sample). The team did speak to about 5 of the Indian workers, informally. No notable/significant findings were detected.

- v. Please explain if the assessment covered both living spaces and working spaces, and describe which units within the factory were involved.

The entire facility premises were covered, in addition to all six worker dormitory units.

- vi. Please describe the involvement of the following groups in the assessment, if utilized:
 1. Local NGOs
 2. Independent translators
 3. Labor rights experts
 4. Experts in gender-based violence and harassment (GBVH)
- vii. Please describe any specific measures taken to detect GBVH.
- viii. Please describe any mechanisms in place to control for audit deception. Audit deception examples include but are not limited to: falsifying records, coaching workers to lie to auditors, or providing necessary safety equipment only in the presence of auditors.
- ix. Please note any challenges encountered in the assessment process.

Both Verité and ASK are NGOs, and all assessment team members (including the US-based support team) are labor rights experts. No translators were utilized, as worker interviewers were full team members dedicated and trained for that activity. ASK has a long history as an organization of working on issues of GBVH. All team members are trained to handle and detect GVBH, and have conducted separate investigations in supply chains specifically focused on these issues.

There was no evidence of falsified documentation during worker interviews.

- x. Please share any other relevant information related to the assessment.

A general outline of the assessment with additional details is as follows:

Verité conducted a Foreign Contract Worker Assessment for a group of brands on the foreign worker management framework and practices of R.E.A.L Garment Ltd. located at Lot F11/12, SLDC Industrial Park, La Tour Kaenig, Pointe aux Sables in the Republic of Mauritius, June 14-15, 2023. The assessment was conducted onsite at the factory premises and included a cutting unit located separately from the main factory and all six (6) dormitories accommodating foreign contract workers.

R.E.A.L Garments Ltd (hereinafter referred to as REAL), was established in 1985 and is a denim manufacturing supplier with capacity for 2 million pieces of clothing per year. It is headquartered in Mauritius and has a branch in Tunisia. The vertically integrated factory located in Mauritius has the following processes; in-house sample making, cutting and sewing, embroidery, printing, washing and finishing and other value addition dry processes.

In addition to the main factory unit, REAL also has a separate cutting unit located two (2) kilometers away from the main factory.

As of the date of the assessment, 760 production workers and 210 staff members were employed at the facility. 84% of production workers are Bangladeshi. The facility has two (2) dormitories within the factory premises (owned directly by REAL) and an additional four (4) rented dormitories outside the factory for accommodating FCWs. There are five (5) canteens, prayer halls, and medical rooms. There is a part-time doctor on campus and free transportation for the workers residing outside the factory premises in the hostels/dormitories.

Activities focused on assessing systems and practices in place at the site for the recruitment, selection, hiring, and the overall management of foreign contract workers in their working life cycles from recruitment until repatriation, including policies and practices of the facility and of any third parties used for these purposes. Assessment activities were carried out in order to verify conformance to applicable standards, laws, and regulations, and to identify opportunities for improvement.

The company hires foreign contract workers (FCWs) from Bangladesh, Madagascar, and India through a referral system and indirectly through a Bangladesh-based labor agency for Bangladeshi workers, as well as through a mechanism of transferring workers from other facilities (when they close) with the facilitation of Mauritius Export Association (hereinafter referred as MEXA). Indian workers have been recruited through a labor agent and transfers from other factories. Management reported that for Bangladesh, they prefer recruiting production workers by way of the Bangladeshi labor agency, since the majority of the workforce consists of Bangladeshi nationals. Based on records, the company's Bangladeshi recruitment agency is called T.M. Overseas and has been formally engaged since January 2022. T.M. Overseas has a head office and two (2) branch offices in Dhaka, Bangladesh, as well as an office in Mauritius.

In addition to interviewing the management of R.E.A.L Garments Ltd, the Bangladeshi labor service provider T.M. Overseas was also interviewed remotely to understand the implementation of ethical recruitment practices and procedures for workers from Bangladesh.

As a part of the assessment methodology, the assessment team undertook an onsite Health and Safety observation and assessment in the main factory, the cutting unit (separate location), and all six (6) hostels and dormitories accommodating FCWs. The team also conducted individual and group discussions with workers who are members of the Worker Council of Bangladesh, Mauritius, and Madagascar.

Findings and Remedy

2. Please describe evidence detected by the assessment related to the following issues uncovered by Transparentem's investigation (or flagged as risks), alongside any root cause analysis conducted on the issue, and an explanation of the remedy provided:

a. **Recruitment fees and recruitment-related debt**

Findings: Please provide any findings and information related to worker-borne recruitment fees and related costs including types and amounts paid, debt incurred, and who received payments from the workers.

Remedy: Have workers at R.E.A.L Garments been reimbursed for recruitment fees and related costs?

- i. Please explain the process for reimbursement including:
 1. How the amount owed to workers was calculated,
 2. Total amounts reimbursed,
 3. Time frame for reimbursement,
 4. Responsible party/ies for bearing the cost,
 5. Mechanisms for making reimbursements (such as cash, check, bank deposit, etc.)
 6. How the implementation of the effort will be monitored, and
 7. How the effort will be communicated to workers

FINDINGS:

- The audit found no evidence of recruitment fees charged by the contracted direct Bangladeshi recruitment agency. Nevertheless, during interviews, it was found in interviews with Bangladeshi FCWs that they still incur expenses ranging from BDT 50 to 3,000 for traveling from their native towns to the directly contracted recruitment agent's office in Dhaka. Per worker interviewed, they did not pay fees to the directly contracted recruitment agent in Dhaka.
- Per REAL Garment's internal report from their assessment of the labor agency, they have noted an issue regarding "airport transfer costs." This issue will be addressed in the next onsite assessment of the labor agency, and any outstanding fees will be reimbursed accordingly. Please see CAP row 14.
- In REAL's contract with the recruitment agency, there is a provision for USD 50/5450 circa BDT as per the current conversion rate (as part of the overall contract value) for reimbursement of all local transport costs within the source country incurred by the workers during their recruitment process.

REMEDY

- REAL Garments has committed to reimbursing all Bangladeshi Workers the maximum amount of BDT 3,000 in the salary payment of August 2023 as July's salary computation has been closed. Additionally, REAL will ensure that any fees discovered through their own labor agent audit will be repaid to workers. Please see CAP row 14.

- ii. What measures are being implemented, and by whom, to ensure no worker pays for their job moving forward?

Please see findings and steps to be taken to improve the full cycle of recruitment in CAP rows 10-22.

Contracts

- REAL Garments has committed to provide original Employment Contracts to all current workers. This is expected to be completed by the end of August 2023.
- Workers will also be requested to sign an acknowledgement sheet confirming receipt of original contracts and workers will be informed that they can have a copy of their Employment Contract letters in case the original document is lost or damaged as factory will keep a copy in their personal file.
- REAL Garments has stated that they amended their Recruitment Policy for Expatriate Workers to include the obligation to provide potential and newly hired workers with a copy of Employment Contract. This will be applicable in the next recruitment cycle. The revision of the policy includes that a copy of the employment contract letter will be provided to all regional, employment and sub agent (offices) if any to provide workers with the terms of employment.

Company Policies & Pre-Departure Training

- REAL has already developed a Labour Supplier Monitoring Policy and Procedure in December 2022. Verification of the fees incurred in the recruitment process is performed at 3 levels (Awareness and Training in the Home Country and Recruitment Fee Verification before pre-departure, Worker Survey and Feedback in R.E.A.L Garments Ltd and Labour Supplier's Management Systems Auditing). The verification of fees paid will be conducted with all workers prior to departure (post-pre-departure training) and after arrival in Mauritius. The checklist will be in the worker's native language and will be filled in during an individual meeting with the worker. Verification of fees will be conducted in the next recruitment batch planned for the end of September 2023.

- REAL Garments has stated they updated their contract with labor agents to include the obligation of the labor contractor to refund any declared fee to the worker prior to its departure from source country. Contrary to that if any unrefunded fees are found during RGL surveys individually with the worker in Mauritius, RGL shall refund the unrefunded amount within 30 days. If there is any discrepancy, this will be captured while conducting the Supplier Monitoring.
- RGL does conduct pre-departure training by HR Rep with a translator. Photos of pre-departure training, attendance sheet and content slides are kept on records for each re-departure batch.
- While REAL Garments does conduct pre-departure training as verified by Verite, there appears to be a low level of recognition of the content presented by the migrant workers. As such REAL Garments has committed to provide a reference document on orientation before migrants depart their home country. Additionally, RGL shall assess the effectiveness of pre-departure training through surveys in worker language and undertake root cause analysis with actionable steps to improve communication and test workers' understanding of policies and training carried out in their home country.

Please see row 20 of the CAP.

Labor Agent Monitoring

- New policies and procedures will be drafted for Labour Agent appointment, including clear criteria and pre-screening conditions. Policy implementation will be done at the term of the current LSA contract in Bangladesh, expiring in 31 Dec 2023. The new policy will also be implemented in the event RGL embarks on recruiting from a new sourcing country.
- REAL Garments confirms that an onsite mapping will be performed in Bangladesh to have full transparency on actors involved in the recruitment chain. A dedicated team consisting of persons with key knowledge and competencies in supply chain management, ethical practices, and migrant labor will be assigned clear roles and responsibilities to conduct this task. REAL Garments shall share the mapping results with its brand and discuss the outcome. The next due diligence and on-site mapping shall be documented, and improvement reports which require an action plan will be driven and asked from labor agents.
- REAL Garments also affirm that all policies and expectations related to the hiring of workers, employer pays principles, pre-departure training, employment contracts, and ethical policies related to migrant labor will be communicated to the entire chain of agents and sub-agents down to village level. The communication will include trainings on hiring, ethical, social and migrant labor policies in the native language of the agents and sub-agents with translated copies of policies and contracts handed to all agents and sub-agents.
- REAL Garments Labour Supplier's Management Systems Auditing Process will also be extended to Sub-Agents if any, during next on-site visit to Bangladesh. Training will be schedule in next onsite visit in the source country in the 2nd week of August 2023.

Please see CAP rows 17- 18 for more information.

Deception

Findings: Please provide any findings of deception in the recruitment process including deception around wages, living or working conditions, unclear contracts, providing contracts without sufficient time for review of contracts or any other issues.

Remedy: Is your company working with R.E.A.L Garments to enact greater oversight of recruitment agents' practices to combat deception? If so, please describe how.

- iii. How is your company guaranteeing that workers are provided with accurate, clear, and understandable terms of employment before committing to the job or leaving their home country?

FINDINGS:

- Workers reported that they have not received their own copies of their employment contract from the factory management. Although there is an original contract letter available in local languages for respective foreign contract worker(s) and kept in their personnel files, a copy is not provided to workers. The contract itself contains the following statement: "A copy of the employment contract is submitted to the worker in Mauritius after the signature below."
- Workers also reported that they did not receive a pre-departure briefing covering key terms and conditions of employment.

Please see findings and steps to be taken to improve the full cycle of recruitment in the CAP rows 10-22.

Contracts

- REAL Garments has committed to provide original Employment Contracts to all current workers. This is expected to be completed by the end of August 2023.
- Workers will also be requested to sign an acknowledgement sheet confirming receipt of original contracts and workers will be informed that they can have a copy of their Employment Contract letters in case the original document is lost or damaged as factory will keep a copy in their personal file.
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current LSA contract in Bangladesh expiring in 31 Dec 2023. The new policy will also be implemented in the event RGL embarks on recruiting from a new sourcing country.

- REAL Garments confirms that an onsite mapping will be performed in Bangladesh to have full transparency on actors involved in the recruitment chain. A dedicated team consisting of persons with key knowledge and competencies in supply chain management, ethical practices and migrant labor will be assigned clear roles and responsibilities to conduct this task. REAL Garments shall share the mapping results with its brand and discuss the outcome. The next due diligence and on-site mapping shall be documented, and improvement reports which require an action plan will be driven and asked from labor agents.
- REAL Garments also affirm that all policies and expectations related to the hiring of workers, employer pays principles, pre-departure training, employment contracts, and ethical policies related to migrant labor will be communicated to the entire chain of agents and sub-agents down to village level. The communication will include trainings on hiring, ethical, social and migrant labor policies in the native language of the agents and sub-agents with translated copies of policies and contracts handed to all agents and sub-agents.
- REAL Garments Labour Supplier's Management Systems Auditing Process will also be extended to Sub-Agents if any, during next on-site visit to Bangladesh. Training will be schedule in next onsite visit in the source country in the 2nd week of August 2023.

Please see CAP rows 17- 18 for more information.

b. Abusive working and living conditions

Findings: Please provide any findings related to crowding in dormitories, condition and accessibility of bathroom facilities, food quality, bedding quality, presence of pests or insects, temperatures in the living and working space, access to medical care, ability to take sick leave, or other issues.

Remedy: What improvements have been made to living and working conditions and how will they be sustained?

FINDINGS:

Dormitory Freedom of Movement

- One of the two exit gates of the dormitory campus, which houses two dormitories within the factory premises, was found to be kept locked during working hours. This leads to all workers using only the other gate (the main security gate) to leave the factory and/or dormitory.
- The notice displayed at the workplace (main factory) states that "no worker is allowed to leave their workplace and/or the factory floor until the time of their break and/or the end of shift." It does not mention any provision for exceptional and emergency situations (e.g. health problems, urgent phone calls, any other emergency). Such exceptions are provided in practice, but the existing notice does not include that.
- Workers have unrestricted access to all basic and common facilities at all times, including drinking water, toilets and urinals, doctor's room, and first aid boxes, etc.
- No restriction of movement was found in the cutting unit (located outside the factory) or at any of the four (4) rented dormitories located outside the factory campus.

REMEDY

- The factory premise, including dormitories, has 3 main exit gates. The Gates were kept closed as the factory is a certified CTPAT premise. However, following this assessment, management has agreed to keep all dormitory gates open but under the supervision of a watch man.
- The content of this communication has been removed as it is against our policy on freedom of movement. A policy awareness meeting will be conducted with managers on freedom of movement policy of RGL. All

posters that will be affixed in the production departments shall henceforth go through an internal approval process by the HR Manager and General Manager.

Please see CAP rows 24-26.

Documentation and Work Permit Issues

FINDINGS

- Factory management has applied for the renewal of the 206 expired work permits; one Malagasy worker's passport has also expired and needs to be renewed (which is in process). Factory management has documented records of the work permit applications for all the 206 directly and indirectly employed FCWs, as well as a special appeal letter for workers exceeding 10 years of service in the country.
- None of the Malagasy workers currently employed at REAL have an extended or valid work permit, even though their permits expired in the year 2020.

REMEDY

- Factory management applied to renew these outdated permits in June 2022, after the Mauritius Government began issuing new work permits again after not having done so for two (2) years due to the COVID-19 pandemic.
- Strict follow-up is being done with the Ministry to have the work permit available for the 206 FCW. A meeting request has been initiated with the Ministry of Labour by our Administrative and Finance Director. REAL Garments undertakes the responsibility to update our buyers on the work permit progress on a monthly basis for transparency.
- New passport of the Malagasy worker will be received end of month. A follow-up email has been addressed to the Malagasy embassy in Mauritius, and a copy has been provided to the REAL Garments Brand Group (pending review). For this specific case REAL Garments is committed to share progress with buyers.

Please see CAP Row 20 for additional information.

Dormitory EHS

FINDINGS

The dormitories assessed by Verite (LTK1, LTK2; Peerbux Hostel and Sham Hostel) had several health and safety-related findings. Information and remediation action can be found in the attached CAP cells 37-53. Please note there were additional EHS at the facility itself, which were out of the scope of the Transparentem investigation but nonetheless observed; those findings will also be addressed and remediated.

REMEDY

Please see CAP, rows 37-53, for actions either completed (as indicated by REAL) or in the process to address these findings. Please note one brand (Barbour), on behalf of the brand group, will be visiting REAL Garments on 7/31 to assess progress on health and safety findings, specifically.

c. Intimidation and threats

Findings: Please provide any findings related to threats of deportation or other negative consequences used to discipline workers or to curtail activities that should be protected (e.g., organizing, raising grievances).

We recognize that the delayed work permit renewal by the Mauritian government has an impact on workers in this regard; however, as the issue needs to be resolved by the Mauritian government, it is being addressed through the industry engagement letter under development and being sent to the Mauritian Government. REAL Garments is also engaging with the Government per Verite's recommendation for more systematic follow-up see CAP row 20.

Remedy: How is your company working with R.E.A.L Garments to ensure that intimidation and threats are not used as a management tactic at R.E.A.L Garments?

- i. Please describe any rights trainings provided to factory workers and management, including an explanation of content and frequency.

d. Inadequate response to grievances

Findings: Please provide any findings related to deficiencies in whether or how R.E.A.L Garments responds to grievances, or in the suitability of the mechanisms provided.

FINDINGS

- Grievances received verbally by supervisors and HR, as well as grievances received through the suggestion box are not documented in the grievance records.
- Per a review of grievance records, issues pertaining to safe working and living conditions are recurrent, even after resolutions are made by the councils. Specifically, issues of unclean toilets, broken and damaged equipment and ceiling leaks were repeatedly raised in council meetings.

Remedy: Please describe how your company is ensuring that workers are easily able to access grievance mechanisms that are effective, anonymous, independent, and available at no-cost to workers.

REMEDY

- All grievances received through grievance channels (e.g. supervisors, managers, Workers Council, HR team, Suggestion Box) will be documented, and records will be maintained.
- With the participation of Workers Committee members, the grievance policy and procedure shall be revised to outline clear procedure for grievance recording, investigation, actions taken, and remedial action for nonrecurrence.
- Regarding the finding of recurrent findings regarding safe working and living conditions, Real Garments is engaging to review the health and safety mechanism system involving problem identification, root cause analysis, preventive maintenance and finally, risk mitigation.
- A factory-wide awareness training will be conducted in workers' native language.
- Upon verifying the implementation of the above actions, the Brand group will continue to monitor grievance mechanisms, in addition to other areas, and if these actions do not address the root cause, implementation of more effective grievance mechanisms will be discussed.

Please refer to attached CAP Row 34- 35.

e. Insufficient worker representation

Findings: Please provide any findings related to restrictions on workers' freedom of association, or workers' poor understanding of their right to organize.

FINDINGS

- All 193 workers interviewed had low levels of awareness regarding the selection and election process for members of the workers' council. Worker council members (16 interviewed) also had limited knowledge of roles and responsibilities of the member workers.
- It was reported by worker members of the council that at present, the HR manager takes care of the proceedings of the worker's council meetings. They have no information regarding any recording or documentation of the meeting proceedings, agenda, or resolution made therein.
- The worker members also pointed out that there is a significant delay in raising any issue due to the frequency of the council meetings, which are once every two (2) months. This delays the redressal of any issues on a real-time basis.

Remedy: How is your company ensuring that workers' right to organize is respected at R.E.A.L Garments?

REMEDY

- A video training awareness will be designed in Bengali, Hindi, Malagasy, and Creole language to improve the awareness level of the purpose and objective of the Work Council.
- Two full days of training were done with works council members in December 2022, and a training manual in the Bengali language was provided to all workers. Given the importance of social dialogue between Management and workers, the effectiveness of all awareness training with workers on the Workers Council and with the members of WC Committees will be assessed and improved systematically
- RGL will request the Ministry of Labor to conduct awareness training on workers' rights to freedom of association and collective bargaining. The benefits of joining unions and how to join or form unions will be explained and signed by workers.
- REAL Garments will conduct a training needs analysis with the members of the Worker Council to see what further competencies they will require during the exercise of their duties.
- Work Council meeting frequency has been reviewed and will now occur once a month.

f. Under-payment of wages

Findings: Please provide any findings related to incorrect or under-payment of wages at R.E.A.L Garments.

There were no findings identified with underpayment of wages.

Remedy: How is your company ensuring workers are receiving back-pay for any past under-payment of wages, as well as ensuring that migrant workers are paid in full, including for overtime, receive clear and accurate pay slips and do not face unfair deductions, moving forward?

g. Gender-based violence and harassment

Findings: Did your company's assessment find any evidence of gender-based violence and harassment (GBVH)? Please provide all relevant details.

Remedy: Please describe all actions taken, if instances of GBVH were found. Please explain if such instances were investigated further and by whom, consequences faced by perpetrators, and remedial services provided to any affected workers. Please also describe any actions taken to strengthen detection and prevention of GBVH.

3. Did your company's assessment find evidence of other problems not listed above? If so, please describe the details of what was found and any remedial steps.

Additional findings identified:

- Workers do not receive copies of company policies, nor do they receive training on the same. Those findings and remedial actions are noted in CAP row 12.
- Workers' weekly working hours exceeded 60 hours at the time of the assessment. There is no legal violation as per the country laws, this is against the international standards (exceeding 60 hours/week). Those findings and remedial actions are noted in CAP rows 29.
- Additionally, Verite noted additional findings related to EHS at the facility. Those findings and remedial actions are noted in the CAP row 47-53.

4. Did your company conduct a root cause analysis to identify and understand the underlying causes for each of the issues listed above? If so, please explain what the analysis found and how these are being addressed.

Please see the attached CAP. CAP action plans were developed with the factory in consultation with the brand group and per recommendations provided by Verite. Please note that the root cause noted in the CAP has been provided by REAL Garments. Based on the engagement to date and on the Verite report, the REAL Brand Group notes that many of the issues stem from ineffective communication of the content of policies and procedures and effective understanding of the workers.

4.0 Aquarelle Buyer Group Responses

The Aquarelle buyer group—comprising The Foschini Group, PVH, and Rodd & Gunn—sent the following responses to Transparentem’s investigation:

1) July 31, 2023: Brand Response (PVH Corp., Rodd & Gunn & Foschini Group) to PIN Findings at Aquarelle Questionnaire No. 2



**Brand Response (PVH Corp., Rodd and Gunn & Foshini Group) to PIN Findings at
Aquarelle**

Questionnaire No. 2

Contact Information

Name of person submitting this response: [REDACTED] on behalf of Rodd and Gunn and Foshini Group.

Title: [REDACTED]

Email: [REDACTED]

Date: July 31, 2023

Completion Deadline: March 20, 2023

Overview

As part of Transparentem's engagement with companies, we are asking you to please respond to a series of questionnaires. Your responses will help to inform our eventual public reporting on company efforts related to our investigation of working conditions in Mauritius.

Please send any relevant documentation to Transparentem (including audit reports, corrective action plans, root cause analyses, policy documents, etc.) and be sure to note any areas where we may be able to provide further support. We encourage companies to include as much on-record material as possible. Please mark any materials that are confidential or not for attribution as such and send it as a separate file. We may use any materials marked not for attribution to inform our reporting on progress, but will not quote from them or attribute them to your company.

Assessment

1. Has your company assessed workers' payment of recruitment fees and costs at Aquarelle as a result of Transparentem's investigation?

a. If no, please explain:

b. If yes:

Please provide Transparentem with a copy of the resulting reports, and confirm whether any other buyer was part of the effort.

While no other buyers were part of commissioning the assessment, to mitigate audit fatigue, PVH opted to share the audit results with other brands (PVH Corp. Rodd and Gunn & Foshini Group) identified as sourcing from Aquarelle under a non-disclosure agreement.

Other brands sourcing at Aquarelle have participated in working towards remediation of the findings of the assessment conducted by PVH.

i. Who conducted the assessment, when was the assessment conducted, and how was it commissioned?

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The assessment was conducted by Elevate Global Limited, an expert in social auditing, on February 6th, 2023. Given the challenges posed by recruitment systems, migrant workers can be disproportionately vulnerable to forced and involuntary labor. For this reason, PVH has worked with an external partner to identify high-risk jurisdictions for migrant labor, which includes Mauritius. In these jurisdictions, PVH uses a supplemental tool as part of our factory assessment focused on issues related to migrant labor (e.g. management systems and policies, fees, labor agents, contract, pre departure orientation etc.).

Upon learning of Transparentem's findings, PVH leveraged an already scheduled assessment to address the allegations provided in the Transparentem report. PVH's supplementary tool has indicators that address the allegations made in the Transparentem investigation report and migrant worker issues in general.

Other brands sourcing at Aquarelle have participated in working towards remediation of the findings of the assessment conducted by PVH.

The assessment included a detailed opening meeting, followed by a review of records, employee and management interviews, and a closing meeting. Please note that PVH has trained Elevate on the utilization of the PVH's supplemental tool.

- ii. Please describe the methodology for conducting worker interviews, including the location and language of the interviews, how interviewed workers were selected, the duration of the process and of interviews, any measures to prevent deception, and if workers were provided with a channel to report additional issues:

After the opening meeting, the assessor requested the list of present employees and respective demographic information. Foreign Workers were interviewed from Bangladesh, India and Madagascar. Workers were interviewed by auditors in their local language. 23 Workers were selected at random from the factory-provided list as well as directly from the production floor. Per PVH's procedures, this sample amounted to approximately 10% of the migrant worker population. 19 individual interviews and 2 group interviews, each group of 2, were conducted. Total 20 male and 3 female employees. For Indian workers, the auditor was deputed from India. For Bangladeshi workers, an auditor from Bangladesh joined the interviews via video call. For Madagascar workers, an interpreter was hired by Elevate.

During the assessment, Elevate did not note any indication of deception. Elevate follows robust internal procedures including, but not limited to, ensuring that interview sample sizes are expanded, and more tactful questions are used if there is any indication of deception during the audit. Any suspicion of intimidation or deception must be documented in the assessment report with any relevant evidence.

- iii. Please share any other relevant information related to the assessment.

Findings

2. Please describe any evidence detected by the assessment related to worker-borne recruitment fees and related costs including types and amounts paid, debt incurred, and who received payments from the workers:

Through worker interviews, Elevate noted that 65% of sampled workers (Bangladeshi and Indian) had paid for local land transport costs (e.g. travel to and from the recruitment agent, travel for medical tests, and



transport to the airport). The total amount equals 28 USD per person for Bangladeshi workers and 14 USD per person for Indian workers.

The supplier has committed to reimburse all Bangladeshi workers and Indian workers this local transport fee in line with PVH's no fees policy.

3. Please describe if your follow-up work at Aquarelle uncovered any other issues:

During the worker interviews, it was noted that all the sampled workers were not provided a copy of the 'written signed appointment letter' when they arrived or onboarding in the factory. However, signed original appointment letters were found aligned with the personnel files.

Remedy

4. Have workers at Aquarelle been reimbursed for recruitment fees and related costs?
- a. Please explain the process for reimbursement including:
 - i. How the amount owed to workers was calculated,

Based on the outcomes of the 2023 Migrant Labor supplementary assessment, the amount that Aquarelle will reimburse to workers was determined based on the interviews conducted during the assessment. Aquarelle has agreed to reimburse all workers of the same nationality the reported amount. Based on engagement with expert third parties, we understand that this amount is over and above the average amount paid in the recruitment corridor and accords with what workers stated during interviews.

ii. Total amounts reimbursed,

Previously, PVH conducted a separate supplementary assessment to investigate the ethical recruitment process of migrant workers. Based on the findings of that assessment, and because of PVH's engagement with the factory management, the employer revised its recruitment system and reimbursed migrant workers as follows:

Bangladeshi workers: USD 5,368
Indian workers: USD 3,508

During a recent assessment (see below), interviewed workers confirmed that they were reimbursed for agency fees and medical fees. However, they were not reimbursed for local transportation costs.

Upon the engagement of the brands with the factory management, the employer agreed and reimbursed the migrant workers, as follows:

Total amounts reimbursed as of July 28, 2023:

- Bangladeshi workers: USD 2,130
- Indian workers: USD 952
- *Reimbursement for Malagasy workers for local transportation: USD 320, which is based on the city they came from:
 - Antananarivo 66 MUR (~1.5 USD/worker)
 - Antsirabe 834.7 MUR (~18 USD/worker)



iii. Time frame for reimbursement,

The fees noted in the 2023 assessment have been reimbursed.

Responsible party/ies for bearing the cost,

Aquarelle is responsible for reimbursing workers.

iv. How the implementation of the effort will be monitored, and

The factory will be asked to submit documents and evidence on remediation to the brands who will be reviewing the information provided. Additionally, the factory is expected to conduct a Social Labor Convergence Program (SLCP) assessment in September 2023. The SLCP verification process will serve to validate the remediation actions taken through cross-checking document review, management statements, and worker interviews. In addition to the SLCP assessment, as per PVH's process, PVH will also conduct its standard supplementary assessment specifically focused on migrant workers, which will further serve to verify that reimbursement has occurred and the absence of any new fee findings. In this September audit and given the increased risk in Mauritius vis a vis other jurisdictions, PVH will seek to expand the sample size of workers interviewed.

v. How the effort will be communicated to workers

Aquarelle's Human Resources department is responsible for informing workers, in an appropriate location and in the workers' own language, that the amount paid to workers is reimbursed for costs incurred by them during the recruitment process back in their home country and that this step is part of adhering to the "No Fees Policy" which the company adheres to. It will be communicated that receipt of financial repayment under any of the models presented here does not prevent these workers from exercising or claiming other rights or damages to which they may be entitled under law.

b. What measures are being implemented, and by whom, to ensure no worker pays for their job moving forward?

Actions Taken

- Aquarelle reimbursed all migrant workers with the amounts found during PVH assessment. (Please refer to the details described above about the reimbursement)
- Aquarelle has an (Expat Management Policy and Procedure) which includes a dedicated clause for recruitment fees in which it explains the process followed to tackle this issue.
- Aquarelle's contract with the recruitment agencies includes clauses which state explicitly that:
 - the agent shall not hire any sub-agents,
 - the agent shall not charge the candidates with any fees,
 - Aquarelle would monitor if fees are charged to workers,
 - The agreement shall be terminated in case the agent breaches any of these clauses
- Aquarelle has developed awareness training materials used to increase understanding of candidates in their home country. Workers receive orientation before departure from Aquarelle staff directly. The training includes an introduction to the country, an introduction to the company and its vision and mission, laws, rules, and working conditions. The training is delivered directly by Aquarelle's HR Manager with the assistance of a translator of a language that the workers can understand.

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- Aquarelle has a system to interview every candidate and fill out a checklist. The interview and the checklist are used to re-emphasize to the candidates that the worker shall not pay any recruitment fees during the hiring process.
- When hiring workers from Madagascar to work in Mauritius, Aquarelle's current internal HR system ensures that all related costs, e.g flight tickets, medical costs are incurred by the sister company in Madagascar.
- Each time prior to starting recruitment in home countries of the workers, the HR Manager ensures a meeting is held with the agent in his office. Ethical points are raised as well as explaining the requirements, including an emphasis on "no fees policy".
- After the arrival of workers in Mauritius, HR department meets and interviews them to check and ensure that ethical standards are met, particularly on "No recruitment fees."
- Aquarelle keeps signed letters from every worker confirming that he/she were clearly informed about Aquarelle's "no recruitment fee policy" and that they did not pay any commission to the agent or any other sub-agent during the recruitment process.

Remediation Actions

Based on the findings of the 2023 assessment, the brands urged the factory to implement the following actions to improve existing policies and procedures regarding ethical recruitment. The brands will continue to monitor progress on these remedial actions. For more information on findings and corrective action, please see CAP attached.

- The factory shall revisit its current procedure and the available training material to revise and add a clear definition of what costs shall be considered as recruitment costs; i.e. local transportation, etc.
- The factory shall define clear steps on how to conduct sufficient due diligence in the sending country and host country for the new workers to make sure they didn't pay any additional costs during the recruitment process, i.e. develop a structure/workflow showing the steps to be taken before workers departure and after arrival to ensure no recruitment fees were incurred by the workers during any phase.
- Regarding Malagasy workers' reimbursement, the brands will continue to engage and clarify the facts related to this finding and adequate remediation will be addressed during the next assessment (estimated in September), given the discrepancy in the amount.
- The factory shall work with its sister company in Madagascar to:
 1. Provide copies of previous payments for the recruitment fees of the workers to be kept on file in case needed for review.
 2. Revise policies to ensure that whenever sister factory recruits workers for Aquarelle, any affiliated costs paid shall be recorded and a copy of payment proof shall be sent for your records.
- The factory shall develop and implement a template to record the workers' attendance to the trainings in general, and trainings about ethical recruitment specifically.
- To further improve training for workers the factory will ensure that it is communicated clearly that not only recruitment fees, but any kind of costs or payments shall not be made by workers at any stage of the recruitment process. This information shall be made clear to all workers in advance. The training shall be conducted in a language which the workers understand.



- The factory may consider providing the workers with a written copy (e.g. policy booklet or handbook) which contains the information communicated during the training to make sure the workers can use it as a reference.
 - The factory may consider providing the workers with refresher training to remind them of the ethical recruitment policy and other respective policies at the workplace.
 - The factory shall conduct training or have a written communication to the agencies about the ethical recruitment process and Aquarelle's requirements and expectations.
 - The factory shall develop a template to record this training and agents' acknowledgments of receiving this training/communication.
 - The factory shall develop a template to record the random interviews conducted with new migrant workers after their arrival to double-check that they didn't pay any fees during the recruitment process.
 - The factory is recommended to utilize PVH's training via the Responsible Labor Initiative platform on best practices for labor agent mapping and due diligence.
5. Please provide any other remedial actions that took place at Aquarelle as a result of this investigation:

As stated above, the factory has implemented or will be implementing remedial measures to continuously improve their processes regarding ethical recruitment. Please see CAP for specific details.

Monitoring

6. Please describe any actions your company will take to monitor the effectiveness and implementation of any changes:

As mentioned above, the factory will be asked to submit documents and evidence on remediation to the brands who will be reviewing them. Additionally, the factory is expected to conduct an SLCP assessment in September 2023. The SLCP verification process will serve to validate the remediation actions taken through cross-checking document review, management statements, and worker interviews. In addition to the SLCP assessment, as per our process, PVH will also conduct its supplementary assessment focused on migrant workers, which will further serve to verify that reimbursement has occurred, the absence of fee findings as well as confirmation that remediation in other areas has occurred.

Other

7. Please describe any further policy improvements or other changes at Aquarelle, or any other details about the engagement with the supplier that you wish to provide.

The factory has demonstrated a commitment to abide by PVH's policies regarding migrant workers as well as a commitment to continuous improvement. The proposed remediation plan includes, in addition to the reimbursement of recruitment costs, the following actions in order to address the finding related to copies of "letters of appointment";

- The factory shall re-distribute a copy of the contracts to the workers.
- The factory shall post an announcement on bulletin boards stating (in all languages) that workers can reach out to HR at any time to ask for a copy of their contract if they lose it.

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- Additionally, for new hires, a copy of their signed contract will be given to them in their home country, and they will be asked to sign to acknowledge receiving the copy.

5.0 DDI Responses

DDI sent the following responses to Transparentem's investigation:

1) August 10, 2023: Denim de l'Île Limited. Response to Transparentem



Denim de l'Île Limited. Response to Transparentem

Contact Information

Date: 10 August 2023

Name of person submitting this response: [REDACTED]

Title: [REDACTED]

Email: [REDACTED]

Phone: [REDACTED]

Completion Deadline: August 10, 2023

Overview

We are asking your company to respond to the questions below to inform Transparentem's public reporting on conditions for garment factory workers in Mauritius. As part of this project, we have also met with 18 buyers from factories in Mauritius, and are currently contacting the management of three other suppliers. We will incorporate the responses from all buyers and suppliers into our reporting, which will be posted on our website and which we will provide to institutional investors, regulators, journalists, and advocacy groups for their awareness and potential action.

Please send any documentation relevant to the questions below to Transparentem. We encourage suppliers to provide as much on-record material as possible. Please mark any materials that are confidential or not for attribution as such and send it as a separate file. We may use any materials marked not for attribution to inform our reporting on progress, but will not quote from them or attribute them to your company.

Recruitment Processes

1. Please provide information about how DDI recruits migrant workers:

Please include information on:

- a. policies and procedures that govern DDI's work with agents, including subagents and agents in other countries, who recruit foreign migrant workers, and

Our recruitment process is explained in Recruitment Process Mapping (Documents "Recruitment Process Bangladesh.docx" and "Recruitment Process Madagascar.docx"). In addition all key principles that govern all our decisions can be extracted from the following policies:

- UN Global Compact Policy Statement (Document "UN GLOBAL COMPACT POLICY STATEMENT.pdf")
- The Company Policy (Document "DENIM DE L'ILE LIMITED COMPANY POLICY.pdf");
- The Human Rights Policy (Document "Human Rights Policy Statement.pdf");
- The contracts signed by the recruitment agencies (Documents "LSA MK Overseas 2017.pdf", "Amendment to LSA MK Overseas 2022.pfd" and "LSA Nirina 2022")

- b. whether and how DDI conducts oversight to ensure recruiters adhere to DDI's policies and procedures.

As per The Recruitment Process Mapping (Documents "Recruitment

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Process Bangladesh.docx” and “Recruitment Process Madagascar.docx”), the oversight is conducted as follows:

- Agreement with the agent upon each recruitment of the workers under the agreed conditions as per contract.
- Visits to the agency on every recruitment by HR Manager, the Bangladeshi liaison officer (in case of Bangladeshi recruitment), and other members of HR Team;
- Signature of the recruitment contract by the agency and amendments of the contract as necessity arise (Documents “LSA MK Overseas 2017.pdf”, “Amendment to LSA MK Overseas 2022” and “LSA Nirina 2022”);
- One to One interviews with the candidates are held in the recruitment country by our HR Team (HR Manager and Bangladeshi Liaison Officer for translation purposes in the case of Bangladesh) without the presence of the agent, where questions concerning the payment of recruitment fees are raised to the candidates. During the interview, it is clearly explained to the candidate that no fee should be payable by her/him since all costs are covered by the company.
- Post arrival interviews with employees (Document “Post Arrival Interview Bangladeshis.pdf” and “Post Arrival Interview Malagasy.pdf”) to confirm the recruitment process has been followed as per agreement with the recruitment agency.

2. Please describe the payment of recruitment fees and related costs associated with employing migrant workers at DDI:

DDI presently covers all costs related to recruitment for migrant workers. The costs differ depending on the recruitment country.

Here the list of the items we cater for:

- All government paper works necessary in the home country. A due diligence has been made for both countries.
- * 3 Days Training Fee – 200 Taka
- * Finger Print Fee – 220 Taka
- * Probashi Kallyan Bank (Wage Earners Kaiiyan Tahabill Pay-Order) – 4,500 Taka
- * Tax – 250 Taka
- * Smart Card – 250 Taka
- * P-order Fee – 60 Taka
- * Baira Per Person Immigration Fee – 100 Taka
- * Non judicial 100 Taka * 3 – 330 Taka
- * Guardian Authorization Stamp x3 – 330 Taka (only for ladies personnel)
- * Medical Test – 5,000 Taka
- * Medical Test - 110,000 Ariary
- * Certificat de Moralite – 2,000 Ariary
(Folder “Agencies Cost Due Diligence)
- Skill Test costs including venue (Document “Invoice Rental of Venue (paid by DDI).pdf” and “Invoice Rental of Venue 2 (paid by DDI).pdf”) and rental of equipment;
- Training and orientation costs;
- Fee for the agency works;
- All plane tickets (Folder “Incoming Flight Invoices.pdf”).

The above job has been done to assess that the fees we pay to recruitment agents are



in line with actual costs.

You may find in the contract drafted and signed with each respective recruitment agency.

The amount agreed is of 330 USD per person for Bangladesh Recruitments (Document “LSA MK Overseas 2017” and “Amendment to LSA MK Overseas 2022”).

You may as well find the contract drafted and signed for Madagascar recruitment (Document “LSA Nirina 2022”) amounting to a maximum of 400,000 Ariary + 1,000 MUR per worker.

We have attached invoices (Document “Scan Invoices Bangladesh.pdf” and “Scan Invoices Madagascar.pdf”) as a further proof.

- a. Under DDI’s policies, who is responsible for paying workers’ recruitment fees and related costs?

The responsibility is on DDI and this responsibility is extended to the agents through the drafting and signature of contracts. As visible in the respective agency contract (Documents “LSA MK Overseas 2017.pdf”, “Amendment to LSA MK Overseas 2022.pdf” and “LSA Nirina 2022.pdf”), the workers should not be subject to any additional costs since the company will pay everything related to the recruitment process.

- i. What specific costs does DDI include among “related costs”?

As specified above, the costs included among the related costs are the following:

- All government paper works necessary in the home country as detailed above.
- Medical Test to be done in the home country as requested by Mauritius Regulations to migrate;
- Skill and qualification tests;
- Training and orientation costs;
- Rental of equipment;
- Fee for the agency work including costs for staff, utilities, etc..., and profit of the agency;
- DDI pays for all plane tickets (Refer to Folder “Incoming Flight Invoices”).

- b. How is DDI collecting information and determining what fees and costs workers may have paid in their home countries?

We pay all fees, therefore workers should not be subject to any additional cost in the recruitment process.

Please refer to the document explaining the recruitment process (Documents “Recruitment Process Bangladesh.docx” and “Recruitment Process Madagascar.docx”).

*** The first occasion the Company can determine whether the worker has been subjected to fees, is during the One-To-One Interview in the home country. The interview is carried out by the HR Manager and the Bangladeshi liaison**



officer in absence of the agent or other parties (please refer to Documents “One to One Interview 1.pdf” and “One to One Interview 2.pdf” where only DDI HR Team is present).

* The second occasion is during the induction meeting when a presentation of the factory, conditions of employment and other aspects are shown. As explained in the recruitment process document, special attention is made to recruitment fees and to the explanation that no recruitment fees should be paid. As shown in the Document “DDI Induction Bengali.ppt” and “Induction Programme Madagascar.pptx” contact details are shared in case a candidate wants to raise issues or questions in private.

* A third occasion is upon arrival in Mauritius. A post arrival induction meeting is again organized for further questions and explanations.

* A fourth occasion is when a post arrival interview is carried out on a One-to-One basis with each worker by a member of the HR Team. In case of the Bangladeshi workers the situation will be assessed by the Bangladeshi Liaison Officer whereas in case of the Malagasy (French speaking) the interview is carried out by a member of the HR Team. During this interview it is requested specifically to each worker whether they have paid any fee in their home country or at any stage of the recruitment process.

I have attached the reports of the post arrival interviews for your perusal (Document “Post Arrival Interview Bangladeshis.pdf” and “Post Arrival Interview Malagasy.pdf”).

The post arrival interview is taking place in a private relaxed environment, often in dormitories and by a person that speaks the native language, with the aim of understanding if any cost was requested to the workers.

A specific note regarding the Bangladeshi Liaison Officer.

DDI’s Bangladeshi Liaison Officer is an ex operator that has applied for an internally posted HR job to improve communication between Bangladeshi factory workers and the administration. He lives in the dormitories together with the rest of the migrant workers and some of his mandates are to advise HR Manager in case of grievances from workers including mentions of recruitment fees.

- i. How much have workers reported paying in recruitment fees and related costs?
Please include examples from many migrant workers and a range of the costs paid.
This should include any and all costs that workers needed to pay in order to get their jobs at DDI.

Please see the post arrival interviews reports (Document “Post Arrival Interview Bangladeshis.pdf” and “Post Arrival Interview Malagasy.pdf”). The workers have always denied paying any fees when interviewed by our team. Same has been found in the home country during the One-To-One interview and no communication has ever reached HR team so that any payment of recruitment fees could be established.



- ii. Please state who workers reported paying costs to:

We do not have any evidence of workers paying any additional cost. Refer to the Post Arrival Interviews (Document “Post Arrival Interview Bangladeshis.pdf” and “Post Arrival Interview Malagasy.pdf”).

- c. Does DDI have knowledge that workers paid fees or any payment or the transfer of anything of value to subagents or anyone who is not officially connected to DDI but who are able to help them secure jobs at DDI? This includes fees and costs paid to people in workers’ home countries.

No indication of recruitment fees could be detected in One-to-One interview in home country, during the onboarding presentation in Bangladesh and Madagascar, during the post arrival presentation in Mauritius, during post-arrival interview or via grievances of the workers once in Mauritius. Other Audits that have not shown non-conformances in regard to payment of fees are: BSCI Audit (2022), Elevate Audit (2022), SMETA Audit (2023).

We want to reiterate that as per contract with our recruitment agent no sub agents can be used and recruitment should be directly handled by the recruitment agency. You may find attached some proof that the recruitment agency team is recruiting directly on the outskirts of factories. This is done through leaflet distribution, job posts outside the factories and via posts on local newspapers (refer to Documents “Leaflet Advertising.pdf1.pdf” to “Leaflet Advertising.pdf2.pdf”, “Leaflet Advertising.pdf3.pdf”, “Leaflet Advertising.pdf4.pdf”, “Leaflet Advertising.pdf5.pdf”, “Leaflet Advertising.pdf6.pdf”, “News Paper - Copy.pdf1.pdf”, “Postering.pdf”, “MK Overseas DDI LFTLET.pdf”, “Banner Advertising.pdf”, “Newspaper Post.jpg”)

- i. Please elaborate on who was paid, information on the amounts paid, and other details on the recruitment process:

We do not have any evidence of workers paying any additional cost. Refer to the Post Arrival Interviews (Document “Post Arrival Interview Bangladeshis.pdf” and “Post Arrival Interview Malagasy.pdf”).

- d. Does DDI maintain a policy to reimburse workers who have paid these costs in the past, and if so, how is it implemented?

Based on our present process, DDI is already covering all the costs related to recruitment. This is shown in the breakdown provided at point 2 and 2a, in the contract with agents (Documents “LSA MK Overseas 2017.pdf”, “Amendment to LSA MK Overseas 2022” and “LSA Nirina 2022”) and with the proof of flight ticket invoices (Folder “Incoming Flight Invoices”).

- i. Has DDI developed or implemented any programs related to the reimbursement of workers for past recruitment fees and related costs?



Upon the request of the Brands G-Star, Diesel, TFG and Centric Brands carrying out the Verite Audit to investigate potential risks of additional costs not covered by the company during the recruitment process, we have investigated and assessed the lack of coverage for costs related to inland travelling during recruitment.

1. If no, how would DDI respond to reports that migrant workers paid recruitment fees and related costs?

N/A

2. If yes, please provide details on the timeline for repayment plans, amounts to be repaid, and the process for determining the amounts.

The amounts to be repaid has been established at 35 USD. The workers have been recruited directly from factories located in 3 areas:

- Gazipur
- Narayanganj
- Narsingdi

The workers resided in the dormitory premises of factories located in these areas.

The cost of the transport from these 3 regions to Dhaka center (MK Overseas Office) is shown on the bus tickets provided in Document "Bus Tickets.pdf". From these 3 regions to the agency (Farmgate) we can see:

- Gazipur to Nabisco = 82 Taka + Mahakhali to Farmgate = 10 Taka. Total 92 Taka single way.
- Narayanganj to Farmgate = 70 Taka for a single way
- Narsingdi to Dhaka = 150 Taka + Mahakhali to Farmgate = 10 Taka. Total 160 Taka for a single way

We can therefore conclude that the transport is of a maximum of 160 Taka each way or an average of 107 Taka each way.

Considering 15 single way trips as maximum (Application two ways, Skill Test two ways, Induction Program and Contract signature two ways, Medical Test two ways, 3 days Pre Departure Training two ways, Immigration Clearance two ways, Airport one way) the maximum amount is 2,400 Taka and the average amount is 1,605 Taka.

As per our understanding a local meal in Bangladesh ranges between 150 and 200 Taka. If we consider 1 meal for each trip calculated on maximum amount of 200 Taka would be 1,600 Taka, calculated on an average amount (175 Taka) it would be 1,400 Taka.

Considering the maximum amounts established, the amount would be of 4,000 Taka. Considering the average amounts established it would be of 3,005 Taka.

In sign of goodwill we have taken into consideration the maximum amount of 4,000 Taka which is about 35 USD.

So far, we have not been able to establish similar proven costs for



Madagascar, we have decided to extend the refund of 35 USD to the Malagasy workers.

We will proceed with disbursement at the end of August.

3. When were these programs first implemented or developed?

This program was developed following the Verite Audit of 2023.

4. Please provide full details and please send Transparentem any related documentation.

Please see explanation above and documents provided.

- e. Please provide any other details related to DDI's policies on recruitment fees and related costs:

We have explained in detail all aspects in previous points. Please refer to points above.

3. What information must DDI's recruitment agents provide to migrant workers during the recruitment process (including about wages, payment for overtime work, description of job, working and living conditions)? Please describe:

The Agent is only providing general details about basic wages, job description, working and living conditions.

The specific details are explained to each candidate in an interactive session defined as Induction Meeting in the home country by our HR team directly. The Documents "DDI Induction Bengali.ppt" and "DDI Induction French.ppt" are used as a presentation during the induction meetings when contracts are distributed and contains all details of the contract.

- a. How does DDI ensure workers are provided with this information?

Please refer to the answer provided above. It is directly our HR Team that provides all the clear and final information to the candidate.

- b. Please describe any company policies regarding contracts for workers:

- i. At what stage of the recruitment process must recruitment agents provide contracts to prospective migrant workers?

The Recruitment Agent does not provide the contract to the workers. It is instead the HR Team that distributes the Contract Drafts during the Skill Test and Induction Meeting.

- ii. In what language are contracts written for workers?

The contracts, are formats provided by the Ministry of Labour of Mauritius in English and French only, are adjusted by the company with all company details. Once updated, the contract must first be vetted by



Ministry of Labour and consequently translated in the required language where applicable.

The contracts following the above procedure are provided in Bengali for Bangladeshi workers and in French for Malagasy workers. It is to be noted that, although French is an official language of Madagascar, as a best practice, a contract in Malagasy language will be provided for Malagasy workers.

4. Has the recruitment process changed since January 1, 2023? Please describe the changes and the reason for any changes:

We have realized that the workers might not have had enough time to read through the contract and might be willing to show the contract to third parties for further advice. We have therefore established that for future employment, the contract drafts will be shared with the Agent and distributed by him during the Pre-Selection meeting. Only once the HR Team travels to Bangladesh, questions referred to the contracts can be made and answered, and the contracts can thereafter be signed or not by the candidates.

We have also established that the costs for local transports and food costs would always be refunded going forward. The exact modus operandi is to be finalized.

We have also established that audits on the Recruitment Agencies will be carried out prior to starting a new recruitment processes.

Living and Workplace Standards and Policies

5. Does DDI currently maintain workplace standards and policies governing the working and living conditions for its workers?

The workplace standards and policies are comprised in the below policies:

- **Company Policy (Document “DENIM DE L'ILE LIMITED COMPANY POLICY.pdf”)**
“8. We provide a safe working environment to all our employees and a Health and Safety Committee is in place”
- **Human Rights Policy Statement (Document “Human Rights Policy Statement.pdf”)**
“Denim de L’Ile Limited acknowledges the Human Rights of its employees through the factory and endeavors to provide a safe and healthy working environment for all employees”;
“Denim de L’Ile Limited is dedicated to creating a workplace that values and respects people from diverse backgrounds and enables its employees to do their best work”.
- **Safety & Health Policy (Document “Safety & Health Policy.pdf”).**
- **Dormitory Rules & Regulations (Document “Dormitory Rules & Regulations (Eng& Ben).pdf”)**

- a. If so, please send Transparentem a copy of relevant workplace standards and policies.

Please find attached.

- b. If your company does not maintain relevant policies, please let us know if you plan to develop policies and on what timeline.



We are in the process to set up clear policy guidelines regarding Dormitories and plan to develop it within end of September.

c. Please summarize any company policies governing the following areas:

i. Food and accommodation deductions

DDI does not have a policy for Food and Accommodation deductions. It is important to clarify that the company does not deduct Food and Accommodation from the employee's remuneration. Such practice is prohibited by Section 34 or the The Workers Rights Act 2019 Part V Section F Restriction on deductions from worker's remuneration:

“(1) Subject to subsection (2), no employer shall deduct any amount from a worker's remuneration, other than an amount –
(a) authorised by the worker in writing which –
i) is due to the employer in recovery of an advance made on basic wages, provided the deduction does not exceed one fifth of the basic wages due for a pay period; or (ii) the worker wishes to be deducted to make any payment or contribution to any fund, body or other institution; or
(b) which is deducted in accordance with any enactment or a Court order.

(2) No employer shall deduct any amount from a worker's remuneration, which in the aggregate, exceeds one half of the worker's remuneration for any pay period.

(3) No employer shall, in respect of the payment of remuneration, deduct any amount –
(a) by way of fine or compensation for poor or negligent work or for damage caused to the property of the employer;
(b) as a direct or indirect payment for the purpose of obtaining or retaining employment; or
(c) by way of discount, interest or any charge on account of any advance of remuneration made to a worker.”

It is only when the National Minimum Wage Regulations 2017 came into force that the concept of National Minimum Wage was introduced and defined differently between Mauritian Workers and Expatriate Workers. Find below the definition of NMW for Expatriate Worker:

Regulation 3(3)(b)(i)(B) and (C) of the National Minimum Wage Regulations 2017

“The national minimum wage referred to in paragraph (1) shall, in respect of (b) a worker of an export enterprise (i) be inclusive of (B) housing allowance granted to the worker or value of that allowance, if any; (C) food allowance granted to the worker who is entitled to the benefit under sub sub subparagraph (B) or value of that allowance, if



any;”.

Thereafter at Regulation 3(4) of the National Minimum Wage Regulations 2017, it is provided that “(4) *The benefits granted under paragraph (3)(b)(i)(B) and (C) shall not, in the aggregate, exceed 2,500 rupees monthly.*”

For a clearer understanding this is how National Minimum Wage is presently built:

- A) Basic Pay (on which overtime and allowances are calculated)
- +
- B) Food and Housing Allowance
- =
- C) National Minimum Wage

Prior to the introduction of the National Minimum Wage Regulations in 2017, the contracts with the workers always only mentioned the “Basic” component as there was no National Minimum Wage as such. Please refer to the document “COE - Pre NMW.pdf”

At Point 12 of the contract pre-2017 it was specified that “*The Employer shall pay Rs 1500 – (Mauritian Rupees. One thousand and five hundred) to the Employee at the end of each month as meal allowance*”. The allowance for food was already in place and paid cash prior the introduction of NMW in 2017.

At Point 19 it was specified that “*The Employer shall provide, free of charge, decent accommodation, inclusive of water, electricity, gas, necessary furniture and sanitary amenities as well as sleeping facilities.*”

Following the introduction of National Minimum Wage Regulations 2017, the new contracts and the renewed contracts mention the National Minimum Wage concept and do not mention anymore the Basic concept, however it specifies that the National Minimum Wage is inclusive of housing and food allowance.

Please refer to the document “COE – 2023.pdf”

We are aware of the complexity of the matter. We will improve the explanation in the induction meeting in Bangladesh/Madagascar and in Mauritius.

ii. Overtime hours and payment rates

The maximum overtime hours are established by the Company Policy (Document “DENIM DE L'ILE LIMITED COMPANY POLICY.pdf”) at point 7. “*We ensure a minimum of 45 working hours per week and a maximum of 60 hours per week*”.

Overtime rates are governed by the Law of Mauritius specifically Section 24 of the Worker’s Rights Act 2019 and by the Export Enterprises (Remuneration) Regulations 2019. We strictly refer to the law for



calculation and payment of overtime hours. Excess of overtime or incorrect overtime calculation was also never raised as a non-compliance in any of the third party audits we have been subjected to throughout the years including and more recently BSCI (2022), Elevate (2022), SMETA (2023).

iii. Living standards in factory-provided dorms

We are presently working on a specific policy for factory provided dormitories.

By law, under the Occupational Safety and Health (Employees' Lodging Accommodation) Regulations 2011, the Employer has to apply for a lodging application permit to use a building as a lodging accommodation. As per these regulations, the Employer has to obtain the necessary clearances from the Fire Services and the Ministry responsible for the subject of health and quality of life.

To comply with above we have organized the Team as follows:

- A Housekeeping Supervisor. He insures General Maintenance of the dormitories. He reports to the HR Manager.**
- A Maintenance officer. He reports to the Housekeeping Supervisor and resolves minor maintenance issues pertaining to the facilities**
- Cleaners are allocated to the all dorms. Cleaners report to the Housekeeping Supervisor.**
- Bangladeshi and Malagasy cooks are allocated to the kitchens and report to the Housekeeping Supervisor.**
- Where Kitchens are present, a Cleaner/Helper is present full time.**

All the dorms must be approved by 3 government bodies to operate. Based on the requirements listed in the above regulations, the inspectors of Ministry of Labour, Ministry of Health and Fire Services issue a Lodging Accommodation Permit.

Presently all our dormitories hold a Lodging and Accommodation Permit and a Fire Certificate (see the Folder "Fire Certificate and LAP - Dormitories") and are subjected to routinary checks from Ministry of Labour, Ministry of Health and Fire Services inspectors.

iv. Workplace health and safety

The Company Policy (Document "DENIM DE L'ILE LIMITED COMPANY POLICY.pdf") specifies at point 8 that "We provide a safe working environment to all employees and a Health and Safety Committee is in place". The "Safety and Health Policy" (Document "Safety & Health Policy.pdf") further specifies all aspects concerning H&S matters pertaining to the company.

The law governing Health and Safety aspects of all factories in Mauritius is The Occupational Safety and Health Act No 28 of 2005.

The law requirements are also clearly elaborated and explained in various Occupational Safety and Health Regulations.

Furthermore Sections 21/22 and 23 of The Occupational Safety and



Health Act No 28 of 2005 provides the requirements for the establishment of a Safety and Health Committee, the functions of the committee and how often the committee should meet.

We have also drafted an Emergency Preparedness Procedure (Document “Emergency Preparedness Procedure.pdf”) that clarifies the procedure in case of health related emergencies and injuries.

DDI employs one full-time Health and Safety Officer as prescribed by law.

DDI is subject to regular audits from the occupational Safety and Health Inspectorate at least once a year.

We are also subject to multiple third-party audits including lastly BSCI (2022), Elevate (2022), SMETA (2023).

- v. Workplace harassment and abuse, including use of intimidation and threats

Reference is made to Denim De L’Ile Company Policy (Document “DENIM DE L’ILE LIMITED COMPANY POLICY.pdf”) where at point n. 5 it is stated that “We do not tolerate any forms of violence at workplace, whether sexual, verbal, physical, psychological, moral and of any other nature”.

The “Human Rights Policy Statement” further specifies that the company is committed to the ten principles set out by United Nations Global Compact.

On 1st August 2017 we specifically signed the UN Global Compact Policy Statement and following Principle n.4 of the UN Compact we “Support the elimination of all forms of forced and compulsory labor”, where per forced labor it is also included “Physical or psychological (including sexual) violence as a means of keeping someone in forced labour”.

Non compliances were also never raised by any third party audit, lastly by BSCI (2022), Elevate (2022), SMETA (2023)

- vi. Freedom of association

DDI promotes the freedom of association as stated in the Company Policy (Document “DENIM DE L’ILE LIMITED COMPANY POLICY.pdf”), in the Human Rights Policy Statement (Document “Human Rights Policy Statement.pdf”) and as per the UN Global Compact Policy (Document “UN GLOBAL COMPACT POLICY STATEMENT.pdf”) we signed at the Principle n.3.

Furthermore it is specified in all worker’s Contracts (Document “COE – 2023.pdf”) that “The worker shall be entitled to join a trade union of her/his choice”.

The Employment Relations Act 2008 regulates the relations between Companies and Trade Unions in Mauritius.

The workers are also organized and the Workers Council is the reference of the workers to discuss matters with Management. See



attached the document “Workers Council Policy.pdf”.

- vii. Access to medical care

As explained in the “Safety and Health Policy” (Document “Safety & Health Policy.pdf”) the company has a Nurse Room with a full-time nurse and a Doctor present 3 times a week for free medical consultation. The company doctor also abides to a weekly schedule to visit all the dormitories of the company to assess the situation of the migrant workers on Sick Leave.

The Nurse Room is equipped with basic medicines as per requirements listed by the company doctor and they are distributed free-of-charge based on Doctor’s assessments.

It is to be noted that although medicines are free-of-charge at any Health Center of Hospital in Mauritius, the company has chosen to purchase and distribute medicines onsite when required to have them readily available.

In the case Bangladeshi workers are unable to properly communicate with medical staff, a Bangladeshi Liaison Officer is available to accompany workers to hospital for translation purposes.

Health Care is free in Mauritius for all residents including migrant workers.

To cover for any emergencies, the company arranges for a motor vehicle and driver to be available at all times of the day, night, and weekends to standby at the Main Security Gate to transport and accompany injured or ill workers to hospitals or medical institutions. Please also refer to the Emergency Preparedness Procedure (Document “Emergency Preparedness Procedure.pdf”).

- d. Please describe how DDI ensures compliance with the above policies and standards:

- i. How does DDI address detected instances of non-compliance with these policies or standards?

HR Team and H&S Team, together with Head of Departments and Supervisors, are responsible for the correct implementation of the policies.

Where the policies are not complied with, the person responsible of the policy breach would be called by the respective Team (HR or/and H&S) to query on the lack of application of the polices and provide explanations and justifications.

Depending on the seriousness and negligence of the breach, disciplinary actions could be resorted to.

In case the policy is proven to be ineffective on certain aspects, it will be updated.

6. Has DDI updated any of its workplace or living standards and policies since January 1, 2023?
a. If yes, please provide details on what was updated:

We have refreshed the current policies with the new company logo and signature of the current Director and current HR Manager. Please see the folder “Updated Policies”.



Grievance Mechanisms

7. Does DDI currently provide grievance channels for workers to report workplace issues and seek improvements?

Yes, DDI currently provides grievance channels. Besides having a specific policy, the labour law of Mauritius also regulates the Grievance Mechanism.

Please describe how each channel functions, including who maintains the channel and provides remediation, what language the channels are available in, and any procedures to ensure workers are safe from retaliation for reporting grievances:

As per our Grievance Procedure (Document “Grievance Procedure.pdf”), there are 3 official channels through which workers can raise grievances in DDI:

- Personal attention
- Workers’ Councils
- Suggestion Boxes

For issues relating to salary, work and living conditions the worker can address the problem directly to his immediate Supervisor. If unsolved, the matter can be escalated to the Head of Department and Production Manager.

In case the matter cannot be resolved at their level, the matter is escalated to the HR Office for action. A Bangladeshi Liaison Officer is employed by the Company to ensure that there is no communication gap between the worker and the Administration for Bangladeshi workers.

For any other administrative concerns or if the worker has any grievance against his superiors/colleagues, the worker can report directly to the HR office or his Workers’ Council representative. The matter will then be resolved accordingly.

In case a worker wants to raise a grievance but fears retaliation, the worker can make use of Suggestion Boxes that have been placed around the factory and dormitories. The suggestion boxes are regularly checked by the HR Manager, or any other person delegated by him to do so.

Also, the contact details of the HR Manager are made available to the workers. Any grievance can be addressed directly to him through email or phone.

It is good to note that DDI operates on an “open door policy”. Any worker can come directly to the HR Office to raise any grievance, or he can talk directly to the Directors when they are doing factory tours on a weekly basis. It is not uncommon that this happens.

All grievances raised are treated in the strictest of confidentiality to protect the interests of the workers.

A means of record keeping, a logbook is kept at the HR office where all grievances that are brought to the attention of the HR department are recorded.

In addition, the proceedings of Workers’ Council meetings are minuted and kept as a record. Grievances raised/recorded during the month are also reviewed during the meetings.



As an ultimate means to raise grievances against the employer or any other employees, workers can go to the Labour Offices and register a complaint. In return, the Ministry of Labour's Inspectorate Division will begin an investigation and take appropriate actions. Priority is given to amicable settlements but in case of serious cases, legal actions can be initiated.

It was also recently implemented a parallel grievance mechanism by Fair Wear Foundation (Document "FWF - Worker Info Sheet.pdf" and "FWF - Workers Info Sheet-Photo Report.pdf").

During the 2023 follow up Audit of G-Star, a parallel grievance mechanism was implemented. Please see the leaflet and the photo proof (Document "G-Star - Rights of Migrant workers.pptx" and "G-Star - Rights of Migrant Workers - Posted.jpg").

The type of grievances that are most commonly raised by workers relate to dormitories, banks and matters relating to the delay for them to receive new work permits from the Authorities.

Depending on the nature of the grievances raised, time to resolve issues varies.

In practice, other informal channels exist that workers utilize when workers want to make sure the Directors only receive the grievances.

Anonymous letters delivered by post to the Directors is just one of the methodologies.

- i. How often are workers using the grievance mechanisms and what are the timelines for addressing any complaints?

We have record keeping of grievances raised at HR Level and at the level of the Worker's Council.

We treat every case stands as its own and timeline will depend on the nature of each case. Closing a case is not fix but it will never take longer than 3 months.

- ii. How could the grievance mechanisms be improved?

The record keeping at the level of Foreman / Supervisor / Head of Department can be implemented.

Grievances can be categorized and timelines to resolve each category can be setup.

A proper feedback system should be setup to ensure that resolutions are properly communicated to the worker raising grievances.

We have noticed that new candidates for the Workers Councils are not coming forward, therefore the members are mostly rolled over year after year.

We have realized the lack of training in this regard. We have therefore established that training for a proper explanation on the role of Workers Council will be held in the second half of 2023, further to which, new demand for candidates will be rolled out and elections will be held for an updated and more effective Workers Council.



- b. If no such channel exists, please describe how DDI assures workers are able to report any living or workplace violations or grievances.

N/A

- c. Have there been any changes to the grievance mechanisms available to workers since January 1, 2023? If so, please explain.

We have recently established that issues raised during Workers Council meetings are carried forward and reviewed in future meetings until an agreement or solution is found.

Updates and Actions

8. Has DDI worked with any buyers or third-party auditors to assess workplace conditions and develop corrective action since January 1, 2023?

If yes:

Please describe the involved parties, dates, scope, and findings of the assessment

- a. Please describe the corrective action DDI has undertaken in response to such assessments:
- b. Can you describe actions taken by DDI to address root causes and prevent recurrence of issues?
- c. Are any corrective actions planned but not yet implemented? Please provide details and timelines, as well as information on all involved parties.
- d. Please attach any supporting documentation.

SMETA Audit

Conducted by: Eurofins

Date of the Audit: 03.07.2023

Scope: SMETA Audit 4-pillar

Weaving Section

1) Non compliance raised:

Water leakage on the corner of maintenance office and maintenance store

2) Corrective Action:

The leakage point has been fixed

3) Preventive Actions:

- Regular visual inspection will be carried by department managers ensuring building and other structures are in good condition.

- All faults found will be dealt with promptly

Production Floor Garment Division and Finishing Block

1) Non compliance raised:

Poor housekeeping in male toilet

Poor housekeeping in the female toilet

2) Corrective Action:

Toilets have been cleaned



3) Preventive Actions:

- The company has identified a full time cleaner for these specific toilets.
- Regular monitoring will be conducted by H&S Team

Laundry Section

1) Non compliance raised:

The workers were keeping their clothes at the back of the machines as lockers were not provided for workers of this section.

2) Corrective Action:

A changing room area has been identified. Lockers have been ordered to the supplier in China and they are due for shipment. Operators will be provided for a locker where to keep the PPEs and clothing.

3) Preventive Actions:

- Operators will be provided with adequate level of training on how to use the clothes changing area in good state and not to leave the change clothes on the production area
- Regular inspection will be carried out to ensure the recommendations have been implemented

Laundry Section

1) Non compliance raised:

Poor Housekeeping at chemical mixing area and the surrounding area in washing section

2) Corrective Action:

The washing section have been properly cleaned including all chemical containers and eye wash shower station.

3) Preventive Actions:

- Operators will be provided with adequate level of training on how to use the clothes changing area in good state and not to leave the change clothes on the production area
- Regular inspection will be carried out to ensure the recommendations have been implemented

All photos and documents can be found in the Folder "SMETA Corrective Actions".

Concerning the Verite findings please refer to the CAP from the group of Brands and the assessment made by G-Star Team where all non-compliances raised were closed. Find attached proofs in Folder "Proof of CAP Verite" as assessed by G-Star during their post Verite Audit visit.

Additional Comments and/or Suggestions

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Please provide any recommendations on how to most effectively improve working conditions for migrant workers, including how to resolve issues related to the recruitment process and the payment of recruitment fees and related costs. Please provide information on how buyers can best support your company to make improvements and any other support that would be needed or other partners that should be involved.

We take pride in offering good working conditions for our migrant workers and we work with brands with similar mindset and requirements. We will continue strengthening our process around recruitment.

Any support from Transparentem and from other brands on actions and processes towards governments in sending countries, will be greatly appreciated.

We look forward to read your comments in a spirit of cooperation as we shall consider further improvements.

Thank you for kindly keeping confidential:

- **The content of the files shared and labeled confidential.**
- **The names and contacts of people and companies mentioned above (including recruitment agencies and brands).**

6.0 Firemount Responses

Firemount sent the following responses to Transparentem's investigation:

1) December 5, 2023: Response by Firemount Textiles Ltd. (FMT) Dated 5 December 2023

RESPONSE BY FIREMOUNT TEXTILES LTD (FMT) DATED 5 DECEMBER 2023**1. Please provide information about how Firemount recruits migrant workers:**

Please include information on: _

- a. policies and procedures that govern Firemount's work with agents, including subagents and agents in other countries, who recruit foreign migrant workers, and**
- b. whether and how Firemount conducts oversight to ensure recruiters adhere to Firemount's policies and procedures.**

1 FMT recruits Migrant workers through recruitment agents, recommendations and referrals from past and present employee, Government to Government recruitment portal and recruitment by FMT. FMT has ceased recruitment through agents rather privileges government to government recruitment. Most of recommendations and referral by employees are from India and FMT has been registered as an overseas employer on the government to government portal. (See folder Ques1 Annex1).

In Madagascar, FMT has a sister company in Antananarivo where all the recruitments and interview process are carried out on behalf of FMT. No agency fee is involved. Recruitment are effected by FMT staff based there.

The recruitment process is as follows:

Madagascar: On a daily basis we have job seekers attending the facility looking for job opportunities in local facility or overseas. Therefore, prospective workers are called from the database already available. Moreover, a vacancy banner is placed outside the factory. The terms and conditions, expected salary and other facilities which is available at FMT in Mauritius are readily available at FMT's facility in Madagascar for the job seekers to consult. (See folder Ques1 Annex2).

Bangladesh: A demand letter used to be issued and forwarded to the recruitment agent. (See folder Ques1 Annex2a) An advert was then placed by the agent. Interview and skill test are carried out. In the advert, amongst all other terms, the conditions, salary, hours of work are clearly mentioned. A printout of the terms and conditions is affixed in the office/ waiting area of the recruitment agent.

Recommendations and referrals: Prospective employees recruited through this path are mostly recommended by senior employees/staff who are acquainted to those job seekers and personally know their skill and knowledge in relevant post applied. The prospective workers are briefed by the referrals about the terms and conditions of work.

All migrant workers recruited through any of the above are required to undergo a medical test which is paid by FMT. (See folder Ques1 Annex3). A list of documents as prescribed by the local authority in Mauritius are sent to FMT who files for health and other clearance. The terms and conditions of the contract of employment is vetted by the officers of the Ministry of Labour in Mauritius and same is attested by the office of the High commissioner of the foreign worker's homeland. (see copy of vetted and attested copy of contract attached, (See folder Ques1 Annex4). All contract of employment are translated in the migrant workers native language. (See folder Ques1 Annexes 4a, 4b, 4c).

As mentioned above, FMT will be collaborating with Government to Government recruitment program instead of individual recruitment agents. FMT has been working with one agent for more than 16 years in Bangladesh. Please find attached a copy of agreement between FMT and recruitment agent in Bangladesh (See folder Ques1 Annex 5). A copy of recruitment policy is attached as well (See folder Ques1 Annex 6). At no material time FMT has liaised with any subagent.

- (a) Upon arrival in Mauritius, during induction migrant workers are given the opportunity to voice out if they feel victimized of any sort of abuse during the process of recruitment. While being in their homeland, there is a WhatsApp number printed and affixed in the recruitment agent office, at FMT sister company in Madagascar, thus the prospective workers are free to contact FMT in Mauritius for any query. Migrant workers (new arrivals), are randomly approached by officers of the HR team and asked about the recruitment procedure they have been through. All migrant workers are requested to swear an affidavit in their native language where they declare amongst others affirmations that there has been no recruitment fee paid to any agent or any other person (See folder Ques1 Annex 7).

2.Please describe the payment of recruitment fees and related costs associated with employing migrant workers at Firemount:

(a). Under Firemount's policies, who is responsible for paying workers' recruitment fees and related costs?

(i) What specific costs does Firemount include among "related costs"?

(a FMT has entered into a longstanding agreement with a recruitment agent, in place for over 16 years. Pursuant to this agreement, the recruitment agent is accountable for administering a fee of \$300, covering administrative costs and various related expenses for each migrant worker.

(i) Among the specified "related costs," FMT identifies the recruitment agent's responsibility for covering medical tests, reimbursing inland transport costs, as well as remitting payment

for an affidavit and other essential expenses integral to the hiring process. (See folder Ques2 Annex8)

(b) How is Firemount collecting information and determining what fees and costs workers may have paid in their home countries?

FMT has never received any complaint about same. Nothing as such has been flagged in any past independent Audit reports.

i. How much have workers reported paying in recruitment fees and related costs? Please include examples from many migrant workers and a range of the costs paid. This should include any and all costs that workers needed to pay in order to get their jobs at Firemount.

FMT conducted a survey in September 2023, facilitated by the worker's council members, revealing that a significant number of workers, primarily from Bangladesh, incurred inland transportation costs ranging between \$25 and \$35. Consequently, FMT promptly reimbursed all migrant workers a sum of \$35.(See folder Ques1 Annex8)

ii. Please state who workers reported paying costs to:

Not applicable. Refer to (i) above.

(C) Does Firemount have knowledge that workers paid fees to subagents or anyone who is not officially connected to Firemount but who are able to help them secure jobs at Firemount? This includes fees and costs paid to people in workers' home countries.

No

(i). Please elaborate on who was paid, information on the amounts paid, and other details on the recruitment process:

FMT explicitly states that it does not work with any subagents. There is no knowledge or acknowledgement of workers paying fees to individuals not officially connected to FMT. Moreover the recruitment agency appointed by FMT does not charge any recruitment fee or any other fee of whatever nature from any migrant worker .

(d) Does Firemount maintain a policy to reimburse workers who have paid these costs in the past, and if so, how is it implemented?

FMT explicitly mentions that it does not undertake any reimbursement of alleged recruitment fees paid by workers, as there has been no evidence so far for such alleged payment. The management has not received any complaint from migrant workers related to same.

In the event that such issue has been brought to the attention of the management , an internal investigation will be initiated and it will be a case to case basis .

(i) Has Firemount developed or implemented any programs related to the reimbursement of workers for past recruitment fees and related costs?

Please refer to (b) (i) above.

1.If no, how would Firemount respond to reports that migrant workers paid recruitment fees and related costs?

2.If yes, please provide details on the timeline for repayment plans, amounts to be repaid, and the process for determining the amounts.

Please refer to (b) (i) above

3.When were these programs first implemented or developed?

September 2023

4.Please provide full details and please send Transparentem any related documentation.

Copy of pay slip is attached. Please see annexure related to answer to (b) (i) above .

(e) Please provide any other details related to Firemount's policies on recruitment fees and related costs:

Please refer to agreement with recruitment agent (See folder Ques1 Annex6)

3. What information must Firemount's recruitment agents provide to migrant workers during the recruitment process (including about wages, payment for overtime work, description of job, working and living conditions)? Please describe:

a. How does Firemount ensure workers are provided with this information?

FMT's recruitment agents are required to provide comprehensive information to migrant workers during the recruitment process. This information includes, but is not limited to:

Wages: Clear details about the salary structure, including any deductions or allowances.

Payment for Overtime Work: Specifics on overtime rates, if applicable, and the conditions under which overtime is compensated.

Job Description: A detailed description of the job responsibilities, including tasks, working hours, and any specific skills or qualifications required.

Working Conditions: Information on the working environment, safety measures, and any potential hazards.

Living Conditions: Details about accommodation, amenities, and any associated costs.

To ensure workers receive this information, FMT conducts regular training sessions for recruitment agents. Additionally, workers have access to this information through vacancy

advertisements and notices affixed at the recruitment agent's office. We place a strong emphasis on making sure that workers are well-informed about their prospective employment, empowering them to make informed decisions. (See folder Ques3 Annexes 9a& 9b)

b. Please describe any company policies regarding contracts for workers:

(i). At what stage of the recruitment process must recruitment agents provide contracts to prospective migrant workers?

FMT's policy requires recruitment agents to provide employment contracts to prospective migrant workers before they make any commitments. The contract includes all relevant terms and conditions of employment, ensuring that workers have a clear understanding of their rights and obligations before accepting a job offer.

(ii). In what language are contracts written for workers?

Contracts for workers are provided in a language that is easily understandable to the workers . English is the official language in Mauritius and all official documents are drafted in English , however the contract of employment is also translated in the language which is typically the primary language spoken by the workers(See folder Ques3 Annexes 10,10a,10b,10c). This ensures that workers can fully comprehend the terms of their employment and make informed decisions.

We are committed to maintaining the highest standards in our recruitment practices and ensuring that the rights and well-being of our workers are prioritized throughout the entire process

4. Has the recruitment process changed since January 1, 2023? Please describe the changes and the reason for any changes:

Since mid-August 2023, FMT has implemented several enhancements to its recruitment process to further safeguard the rights and well-being of migrant workers. The key changes include:

Affidavit Swearing: Migrant workers are now required to swear an affidavit, a legal document attached herewith, during the recruitment process. This affidavit serves as a solemn declaration by the worker, attesting that they have not paid any recruitment fees and that they are entering into the employment contract willingly. (See folder Ques4 Annex11)

Video Declaration: As an additional measure, workers are encouraged to voluntarily record a video clip. In this clip, workers declare, in their own words, that they have not paid any recruitment fees. This video declaration is aimed at providing an extra layer of assurance and transparency in the recruitment process.(Annex Video Declaration Annex 12)

The migrant worker is informed that his Inland Transportation Costs will be refunded by Firemount Textiles ltd through the recruitment agent. This reimbursement is designed to

alleviate any financial burden associated with the workers' journey to the recruitment site and airport.

Reason for Changes:

These changes were implemented to strengthen FMT's commitment to ethical recruitment and to prevent any potential abuse or exploitation of migrant workers. By introducing the affidavit swearing and video declaration, we aim to create a more transparent and accountable recruitment process. The reimbursement of inland transportation costs is part of our ongoing efforts to support the financial welfare of our workers and make the recruitment process fair and accessible.

We believe that these enhancements will contribute to a safer and more secure environment for migrant workers within the scope of our recruitment process. FMT remains dedicated to continuous improvement and adherence to the highest standards of ethical employment.

5 .Living and Workplace Standards and Policies

1. Does Firemount currently maintain workplace standards and policies governing the working and living conditions for its workers?

a. If so, please send Transparentem a copy of relevant workplace standards and policies.

We have a social compliance manual as an essential tool for maintaining a healthy work environment. This typically covers areas such as a code of conduct, anti-discrimination, forced labour, child labour, human rights, anti-harassment, hours of work, data privacy, and safety protocols. This guideline ensures the smooth operations and creates a culture of professionalism. (See folder Ques Annex13, 13a , 13b)

b. If your company does not maintain relevant policies, please let us know if you plan to develop policies and on what timeline.

Not Applicable

c. Please summarize any company policies governing the following areas:

i. Food and accommodation deductions

The food and accommodation are based on our Mauritian Regulation. Food and Accommodation have been well described in the employment contract. (See folder Ques Annex14)

ii. Overtime hours and payment rates

All overtime performed at FMT is voluntary - weekly Normal Hours of work are 45 hrs., and the maximum limit of overtime hours is 15 hrs. per week. One day off is provided to all workers as per the Workers' Right Act 2019 as of 2nd August 2023. Our hours of work policy is posted in different languages on the company notice board. (See folder Ques5 Annex15)

iii. Living standards in factory-provided dorms

FMT Ltd complies with our Employee's Lodging Accommodation Regulations 2011, which includes the dormitory's standard of cleanliness, a healthy living environment, space and privacy, facilities such as toilets, bathrooms, etc. FMT has its Lodging Accommodation Permit(See folder Ques5 Annex16)

iv. Workplace health and safety

At FMT, we maintain good factory conditions involving the working environment, risk assessment, safety measures, and adherence to the Occupational Health and Safety Act 2005. However, FMT's Health and Safety Policy is posted in different languages. FMT has its Factory Registration and its Fire Certificate. (See folder Ques5 Annex17a&17b)

v. Workplace harassment and abuse, including the use of intimidation and threats

Yes, our workplace harassment policy is posted in different languages and is in compliance with the Workers' Right Act 2019.(See folder Ques5 Annex18)

vi. Freedom of association

We have a Freedom of Association and Collective Bargaining Policy in different languages and posted on notice boards. Everyone is free to join a trade union or workers' committee without any interference. They are free to perform their union activities without reprisal or retaliation. This right is protected by the Workers' Right Act 2019. However, if workers won't form part of the trade union, a workers committee is available by a fair and free elected member. (See folder Ques5 Annex19)

vii. Sick leave, including how to take sick leave and compensation for sick leave

Yes, a contract of work in their language is provided where the sick leave conditions are clearly mentioned, and every worker is made aware before departure from home country. On arrival, an induction is conducted about their conditions. However, the number of sick leave taken and left are mentioned in their payslip too. (See folder Ques5 Annex20)

d. Please describe how Firemount ensures compliance with the above policies and standards:

Training of employees is regularly conducted on these above policies. FMT communicates all the policies in different languages on the notice board. The compliance team has set an internal audit schedule covering all the social compliance elements. (See folder Ques5 Annex21& 21a)

i. How does Firemount address detected instances of non-compliance with these policies or standards?

Employees or other stakeholders report instances of noncompliance through an established channel. This could be directly to the supervisor, HR Dept, compliance executives, or through

the anonymous reporting system. The company initiates a thorough investigation involving HR, Legal, Compliance, and Top Management Team. Throughout the investigation, detailed records are maintained, and corrective action is taken. Based on the investigation findings, Firemount Textiles Ltd determines the appropriate course of action, additional training, or policy revision. The goal is to address the issue and prevent its recurrence. The company communicates the outcome of the investigation and any resulting action. This fosters transparency. Preventive measures are implemented to prevent similar instances in the future. The company often engages in continuous monitoring to ensure that corrective actions are effective and that there is sustained compliance over time. This includes regular audits and ongoing training. However, in cases involving serious violations or legal implications, FMT Ltd consults its legal team to ensure that their actions align with applicable laws and regulations.

6.Has Firemount updated any of its workplace or living standards and policies since January 1, 2023?

(a) If yes, please provide details on what was updated:

Yes.

Cooking Facilities Update: FMT, in response to numerous requests from its workforce, facilitated an enhancement in workplace amenities, specifically pertaining to individual cooking facilities. This initiative arose from individual submissions, team leader and supervisor consultations, and discussions with representatives of the Workers' Council, notably those associated with the self-cooking facility.

After thorough deliberations within the Workers' Council, it was mutually agreed that all migrant workers should have a collective voice in decision-making. Consequently, a democratic voting system was instituted, allowing each worker to participate, resulting in an overwhelming majority, exceeding 90%, advocating for individual cooking facilities. Subsequently, FMT made substantial investments, and by November 1, 2023, individual cooking facilities were made available to the workers.

Additionally, FMT is committed to supporting this initiative by providing workers with complimentary cooking gas, water, and electricity. (See folder Ques5 Annex22,23,24)

Documentation in Plastic Pocket Folders: Concurrently, FMT has organized pertinent documents for its workforce, including original work permits, residence permits, contracts of employment in both English and the translated native language versions, and copies of translated pay slips. A photograph illustrating the arrangement of these documents in plastic pocket folders is enclosed (See folder Ques6 Annex25)

Introduction of Whistle-Blowing Policy: FMT has implemented a comprehensive Whistle-Blowing Policy, which has been communicated in multiple languages and prominently displayed on notice boards for the awareness of all employees. For your convenience, please refer to the attached (See folder Ques5 Annex26)

7. Grievance Mechanisms

Does Firemount currently provide grievance channels for workers to report workplace issues and seek improvements?

Yes

If yes:

- a. **Please describe how each channel functions, including who maintains the channel and provides remediation, what language the channels are available in, and any procedures to ensure workers are safe from retaliation for reporting grievances:**
 - **Suggestion Boxes:** Located in toilet regions away from the production area for confidentiality and anonymity. Managed by HR. Remediation involves reviewing suggestions, implementing viable ideas, and providing feedback through the workers' committee. (See folder Ques 7 Annex27)
 - **Open Door Policy:** Encourages direct approach to higher management or manager. Managed by Managers and supervisors. Remediation involves addressing concerns directly, providing guidance, and implementing necessary changes based on feedback received.(See folder Ques 7 Annex28)
 - **Whistle-blowing:** Confidential and anonymous channel for reporting unethical behavior. Overseen by a committee involving top management, HR, legal, and compliance team. Remediation involves thorough investigation, protection of whistle-blowers, and appropriate action against wrongdoing.(see Annex 26 at Ques6)
 - **Email Address:** Allows employees to submit grievances, complaints, or feedback through a dedicated email address. Managed by HR and compliance team. Remediation involves reviewing emails, acknowledging receipt, and initiating the grievance resolution process.(See folder Ques 7 Annex29a&b)
 - **Whatsapp Group:** Facilitates real-time communication among group members for quick updates, discussions, and information sharing. Managed by HR. Remediation involves acknowledging receipt of grievances and complaints or suggestions for appropriate actions. (See folder Ques 7 Annex29a&b)
 - **Help Desk:** Located separately from the production area for confidentiality and anonymity. Serves as a centralized platform for employees to report issues. Managed by an HR coordinator with multilingual skills. Grievances are recorded, and solutions are provided. Escalation procedures are in place for more serious or unresolved grievances.
 - All channels are monitored to ensure timely acknowledgment, investigations, corrective actions, implementing changes, and clear and transparent communication

with the employee. Firemount Textiles Ltd provides multiple language options for reporting grievances.(See folder Ques 7 Annex30)

i. How often are workers using the grievance mechanisms, and what are the timelines for addressing any complaints?

The frequency varies for different mechanisms such as daily for the help desk and weekly for the suggestion box. Grievances are acknowledged promptly upon receipt, with initial investigations done promptly afterward. Resolution timelines may vary based on the complexity of the grievances but generally range from a few days to a week.

ii. How could the grievance mechanisms be improved?

Firemount Textiles Ltd ensures employee awareness through regular training sessions and communication campaigns. The company provides various reporting channels, including the help desk and WhatsApp group, maintaining confidentiality and anonymity. Open door and whistle-blower policies are also in place.(See folder Ques 7 Annex31)

b. If no such channel exists, please describe how Firemount assures workers are able to report any living or workplace violations or grievances.

Not applicable

c. Have there been any changes to the grievance mechanisms available to workers since January 1, 2023? If so, please explain.

Yes - Help Desk and WhatsApp Group have been introduced in our management system.

Updates and Actions

8. Has Firemount worked with any buyers or third-party auditors to assess workplace conditions and develop corrective action since January 1, 2023?

Yes

If yes:

c. Please describe the involved parties, dates, scope, and findings of the assessment:

- SMETA AUDIT - Done by QIMA on 21-22 February 2023 , In their findings the auditors raised two non-compliance (NC) and one observation (OBS) The first NC was related to MSDS for all chemicals were posted but only in English language.
The second NC, One out of seven chemical drums did not have proper labelling in Sub-Chemical Store. .(See folder Ques 8 Annex32 & 33)
- WRAP AUDIT - Done by UL/VJN Global Solutions Ltd on 06-09 June 2023, where two NCs were noted . WRAP Code of Conduct Training were carried out in all department but save and except for CAD dept where training were not done.

During the factory tour the Auditor noticed that 1 toilet water tank flush handle was broken out of 8 toilet tanks. (See folder Ques 8 Annex34& 34a)

- Unannounced factory visit by the officers from the Ministry of Labour, Occupational Safety and health division , Enforcement Unit. No discrepancy was observed (See folder Ques 8 Annex35)

d. Please describe the corrective action Firemount has undertaken in response to such assessments:

All Non-conformities found for both third party audits have been closed on the same day. See attached CAP , Annex ...

e. Can you describe actions taken by Firemount to address root causes and prevent recurrence of issues?

The facility has increased the frequency of internal audit. Daily inspection of Sub-Chemical store to ensure that all chemicals drum are properly labelled and replace missing label on the spot during the daily inspection. The facility has made an Internal Training Calendar to ensure that all department are trained accordingly. (Training Calendar -Internal Audit Schedule)

f. Are any corrective actions planned but not yet implemented? Please provide details and timelines, as well as information on all involved parties.

Based on the above 2 third party audits, corrective actions have been taken and all implemented. All NC's found during the third party audit have been Closed.

g. Please attach any supporting documentation, including full audit reports.

Full audit reports (SMETA and WRAP) are attached above.

Additional Comments and/or Suggestions

Please provide any recommendations on how to most effectively improve working conditions for migrant workers, including how to resolve issues related to the recruitment process and the payment of recruitment fees and related costs. Please provide information on how buyers can best support your company to make improvements and any other support that would be needed or other partners that should be involved.

FMT takes great pride in being fully compliant with all recruitment procedures and protocols. To the best of our knowledge, we have not been aware of any workers paying

alleged recruitment fees or related costs. We emphasize that our practices align with local laws and regulations governing recruitment processes.

It is worth noting that our working conditions undergo regular scrutiny through unannounced visits and audits by relevant government bodies in Mauritius. These assessments have not identified any major non-compliance issues. In instances where minor observations and recommendations were made, prompt corrective action was taken to ensure full compliance.

We are dedicated to maintaining and enhancing the well-being and health and safety of our migrant workers. FMT will continue to work closely with representatives of relevant ministries to identify areas for improvement and implement measures to ensure the highest standards.

In response to your inquiry about recommendations for improving working conditions for migrant workers and addressing issues related to the recruitment process and associated costs, we would suggest the following:

1. **Collaboration with Relevant Ministries:** Continued engagement with the relevant ministries will facilitate a constructive dialogue to address any concerns and implement effective solutions.
2. **Worker Education Programs:** Implementing comprehensive education programs for workers to make them aware of their rights, including information on recruitment processes and associated costs.
3. **Transparent Communication Channels:** Establishing transparent communication channels between workers, management, and buyers to ensure that any concerns are promptly addressed.

As for how buyers can best support our company in making improvements, we welcome collaborative efforts that prioritize the welfare of our workers. This may include:

1. **Sharing Best Practices:** Buyers sharing their best practices and experiences can contribute to the ongoing enhancement of our working conditions.
2. **Joint Audits:** Collaboration on joint audits and assessments can provide valuable insights and ensure alignment with global standards.
3. **Ongoing Dialogue:** Maintaining an open and ongoing dialogue between buyers and our company to address any emerging challenges and explore innovative solutions.

We are open to any additional support or partnership opportunities that align with our commitment to continuous improvement. Your suggestions and insights are invaluable as we strive to create a positive and conducive working environment for all our employees.

Thank you for your attention and understanding. We remain committed to upholding the highest standards and ensuring the well-being of our workforce.

We remain committed to upholding the highest standards and ensuring the well-being of our workforce.

Please be advised that the foregoing is without prejudice to the defences, rights and remedies of Firemount Textiles Ltd, all of which are expressly reserved.

7.0 R.E.A.L Responses

R.E.A.L sent the following responses to Transparentem's investigation:

1) August 10, 2023: R.E.A.L Garments Ltd. Response to Transparentem



R.E.A.L Garments Ltd. Response to Transparentem

Contact Information

Date: 10th August, 2023

Name of person submitting this response: [REDACTED]

Title: [REDACTED]

Email: [REDACTED]

Phone: [REDACTED]

Completion Deadline: August 10, 2023

Overview

We are asking your company to respond to the questions below to inform Transparentem's public reporting on conditions for garment factory workers in Mauritius. As part of this project, we have also met with 18 buyers from factories in Mauritius, and are currently contacting the management of three other suppliers. We will incorporate the responses from all buyers and suppliers into our public reporting, which will be posted on our website and which we will provide to institutional investors, regulators, journalists, and advocacy groups for their awareness and potential action.

Please send any documentation relevant to the questions below to Transparentem. We encourage suppliers to provide as much on-record material as possible. Please mark any materials that are confidential or not for attribution as such and send it as a separate file. We may use any materials marked not for attribution to inform our reporting on progress, but will not quote from them or attribute them to your company.

Recruitment Processes

1. Please provide information about how R.E.A.L recruits migrant workers:

R.E.A.L Garments Ltd (RGL) has a well-defined and documented policy on the recruitment of migrant workers (SMS-RE-001). Every four months, RGL conduct a human resource plan to assess its manpower requirements for the different departments and skills needed. A formal email is then directed to the contracted labour agent for a preliminary arrangement in source country. Based on our manpower needs, the agent arranges for vacancy announcement and advertisement in its offices in the source country.

A recruitment campaign is then organized on an agreed date with RGL and HR/Technical team to travel to the source country for shortlisting, interviews, technical assessment and selection of potential qualified workers.

RGL conducts visual test, skill test, aptitude test and interviews of workers while the agent responsibility is only to arrange for location, sewing machines for testing, photocopies and equipment such as projectors, chairs and micing system.

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After the recruitment and selection process, RGL HR team conducts various sessions with workers on:

1. Training on terms and conditions governing their employment in Mauritius (Appendix A).
2. Training on hiring and employment policies such as Recruitment policy, No Recruitment fee policy, Migrant labour policy (Appendix B and P).
3. Test on the understanding of employment contract and policies that has been explained to them (Appendix C)
4. In the event the worker accept employment with RGL based on the terms and conditions of employment explained to him/her, the worker signs the first part of the employment contract in Bangladesh (Appendix D).
5. The worker is informed on the work/residence permit procedures and formalities in Mauritius.

After the work and residence permit is received, RGL travel to source country for the following reasons:

1. Conduct pre-departure training with batch of workers who received work and residence permit (Appendix E).
2. Conduct recruitment fee verification with each departing worker through a one-to-one interview with the worker and assisted by an independent appointed translator by RGL (Appendix F).
3. Reimbursement of fees to workers (if any) prior to departure from source country.
4. Arrange for workers travelling to Mauritius.

After the worker has arrived to Mauritius, RGL conducts the following:

1. Induction training with the worker (Appendix G and G-1).
2. Factory and dormitory visit.
3. Survey on any recruitment fee paid in home country (Appendix F).
4. On the job training/onboarding.



Please include information on: _

- a. policies and procedures that govern R.E.A. L's work with agents, including subagents and agents in other countries, who recruit foreign migrant workers, and**

Policies that govern RGL's work relationship with agent are as follows:

1. Migrant Labour Policy (SMS-RE-003).
2. Labour Service Agreement (LSA) (Appendix H).
3. RGL Recruitment Policy (SMS-RE-001)
4. RGL No Recruitment fee Policy (SMS-RE-004).
5. RGL Recruiting Agent Code of Conduct (SMS-RE-002).
6. RGL Code of Conduct (Appendix I).
7. Recruitment Agent Code of Conduct, Ethics and Standards (Appendix J).
8. Labour Supplier Monitoring Policy and Procedure (SMS-RE-037).
9. Contract of employment (Appendix D)
10. Recruitment Fee Verification Checklist (Appendix F)

- b. Whether and how R.E.A.L conducts oversight to ensure recruiters adhere to R.E.A.L's policies and procedures.**

RGL has an established policy on Labour Supplier Monitoring (SMS-RE-037).

This policy ensures that RGL regulate and monitor recruitment practices from a-z, including the element of recruitment fees which can lead to the risk of workers being indebted or exploited by recruitment agency. The policy consists of four levels of monitoring as listed below:

1. Level 1 – Awareness and Training in home country
2. Level 2 – Recruitment fee verification with worker prior to departure from home country.
3. Level 3 – Worker survey and feedback upon arrival at RGL.
4. Level 4 – Labour Supplier Management Systems Auditing.

- 2. Please describe the payment of recruitment fees and related costs associated with employing migrant workers at R.E.A.L:**

As explicitly detailed in our Labour Service Agreement (Appendix H Section 5.0) with our sole agent in Bangladesh, RGL is the sole party in the contract to bear all recruitment costs in respect of the worker's recruitment from start of the recruitment process in their home country up to the arrival at RGL in Mauritius. The recruitment fees described below also forms part of the agreement signed by both RGL and TM Overseas (Labour Agent).

1. Agency service fee of \$ 200 per worker paid to TM Overseas for recruitment services.
2. Administration fee of \$ 250 per worker paid to TM Overseas for passport, medical examinations and Government related fees.
3. Transportation and other administrative fee of \$ 50 per worker.
4. Air ticket provided directly by RGL from Mauritius.



5. Work permit fees of \$ 115 per worker paid by RGL in Mauritius.

a. Under R.E.A.L's policies, who is responsible for paying workers' recruitment fees and related costs?

As explicitly detailed in our No Recruitment fee policy (SMS-RE-004) RGL adopts the '*employer pays all principle*'.

ii. What specific costs does R.E.A.L include among "related costs"?

Refer to answer 2.

b. How is R.E.A.L collecting information and determining what fees and costs workers may have paid in their home countries?

RGL collects information and details concerning recruitment fees and costs paid by workers through a survey which is done individually with each worker in home country before departure. The survey is documented as a recruitment fee verification checklist (Appendix F) which is included in the Labour Supplier Monitoring policy developed on December 2022 and revised on July 2023.

Moreover, for the purpose of reconciling the data in the survey conducted in the workers home country, RGL conduct a second one to one interview upon arrival of the worker at RGL to confirm the accuracy of the data captured in the home country (bearing in mind that the worker is out of the labour agent cycle). This part is also included in the Labour Supplier Monitoring policy developed on December 2022 and revised on July 2023.

i. How much have workers reported paying in recruitment fees and related costs? Please include amounts and provide examples from many migrant workers and a range of the costs paid. This should include any and all costs that workers needed to pay in order to get their jobs at R.E.A.L.

As per our previous supplier audits conducted in source country, we have encountered few cases of unpaid local transportation fees by workers where refunds were made by the agent before departure.

Moreover, at the request of our buyers, RGL was assessed by third party auditors on two occasions, specifically on 16-18 November 2022 by Engaged Partnership for Change, for Focused Recruitment Fees Investigation and on 14-15 June 2023 by Verité for a Social Responsibility Assessment. Both assessments reported that workers paid local transportation fees for travelling between their residence to labour agent and the airport. The fees reported are between the range of BDT 50 – 3000.



ii. Please state who workers reported paying costs to:

As per audit reports, workers paid local transportation cost to public or private transport providers directly.

c. Does R.E.A.L have knowledge that workers paid fees or any payment or the transfer of anything of value to subagents or anyone who is not officially connected to R.E.A.L but who are able to help them secure jobs at R.E.A.L? This includes fees and costs paid to people in workers' home countries.

As per findings from third party assessments, it was not reported that workers paid fees to sub agent officially/unofficially in the recruitment chain.

i. Please elaborate on who was paid, information on the amounts paid, and other details on the recruitment process:

Not applicable

d. Does R.E.A.L maintain a policy to reimburse workers who have paid these costs in the past, and if so, how is it implemented?

Yes, as per No Recruitment Fee policy (SMS-RE-004 section 8) all recruitment fees and costs pertaining to prospective workers recruitment are fully borne by RGL. In the event a migrant worker paid fees, this has to be reimbursed by the labour agent with evidence (Appendix H section 4.10-12).

In the Labour Service Agreement, the responsibility of the agent is as follows:

"The agent shall provide a formal receipt of payment made on workers' behalf or proof of refund of payment done by the worker." And records kept by TM overseas for review and verification at any time and during any audits.



i. Has R.E.A.L developed or implemented any programs related to the reimbursement of workers for past recruitment fees and related costs?

Our program related to reimbursement of workers are detailed as per below chronology:

1. Supplier Monitoring audits conducted in the month of October 2022 confirm transportation fees paid by workers from their residence to airport. Subsequently transportation was refunded to workers before their departure from source country.
2. A third-party recruitment fee investigation conducted by Engaged for Change on 16-18 November 2022 revealed that workers paid local transportation fee on average BDT 1,568.27.
3. Another third-party Social Responsibility Assessment initiated by the buyers through Verité confirmed that indeed workers paid local transportation fee ranging from BDT 50-3,000.

Based on the above findings, going forward, RGL shall reimburse local transportation fees to all migrant workers based on the highest quantum of BDT 3,000 net (excluding taxes and interest). This refund is planned for end of August 2023 on the monthly salary payment date.

1. If no, how would R.E.A.L respond to reports that migrant workers paid recruitment fees and related costs?

Refer to above.

2. If yes, please provide details on the timeline for repayment plans, amounts to be repaid, and the process for determining the amounts.

RGL shall reimburse local transportation fees to all migrant workers based on the highest quantum of BDT 3,000 net (excluding taxes and interest). This refund is planned for end of August 2023 on the monthly salary payment date.

3. When were these programs first implemented or developed?

The refund program highlighted above was initiated in September 2022 through Supplier audit, developed through last two third party assessments and shall be implemented in end August 2023.



4. Please provide full details and please send Transparentem any related documentation.

i) RGL has taken a strong commitment to reimburse the amount of local transportation fees by end of August 2023 as per below:

SN	Nationality	No. of workers	Reimbursement	Reimbursement (MUR)
1	Bangladeshi	709	3,000 (BDT)	1,250
2	Indian	31	2,291.20 (INR)	1,250
3	Malagasy	17	124,210.78 (ARY)	1250
	Total	757	-	946,250.00

ii) During the repayment process for the settlement of the above local transportation fees, workers shall first be informed on the decision of RGL to refund 1,250 MUR equivalent to BDT 3,000 and the reason of this reimbursement. In addition, workers will also be informed on the repayment plan and the special mention of "Refund of local transportation fees" in the August 2023 pay statement.

Furthermore, workers shall be required to acknowledge receipt of the amount paid through bank transfer, and they will sign a "Local Transportation Fees Refund Acknowledgement Sheet" (Appendix N). Signed copy of the Appendix N shall be forwarded to Transparentem in due time.

b. Please provide any other details related to R.E.A.L.'s policies on recruitment fees and related costs:

Please refer back to question 1 (a) related to all policies on recruitment fees and costs.

4. What information must R.E.A.L.'s recruitment agents provide to migrant workers during the recruitment process (including about wages, payment for overtime work, description of job, working and living conditions)? Please describe:

The involvement of RGL's recruitment agent in the recruitment process is focused on job advertisement, mobilization of workers and first point of contact with workers. In line with our recruitment policy (SMS-RE-001), a copy of the contract letter in the native language of workers is provided to our labour agent across its offices and sub offices. The purpose is to provide preliminary information to the workers on terms and conditions of employment at RGL including wages, overtime hours and rates, position to be filled, lodging and accommodation, leaves benefits, No recruitment fee principle, legal deductions, entry visa, residence and work permit formalities, air ticket, repatriation procedures. Refer to (Appendix D).



a. How does R.E.A.L ensure workers are provided with this information?

After receiving the go ahead from recruiting agent confirming the required number of workers available to proceed for technical test, skill test and aptitude test, RGL's Technical Manager / HR manager schedule a travel plan together with the recruiting agent to the respective source country for interviews, technical assessment. After the selection process is completed, suitable candidates shall undergo a training on all terms and condition of employment in a detailed manner. This training is delivered by RGL's HR Manager and translated by an independent translator appointed by RGL. The translator is present in the communication part throughout the whole recruitment process.

b. Please describe any company policies regarding contracts for workers:

As elaborated in (SMS-RE-001) and quoted below:

- Contract of employment is translated in workers native language
- Two originals Employment Contracts are signed by the worker after successful interview and understanding of employment terms and conditions.
- The First part of the Two originals Employment Contracts is signed in source country and the Second part of the same Two originals Employment Contracts is signed in Mauritius upon arrival.
- This practice is done to ensure that the worker signs the same contract of employment on which he initially agreed to in source country and that there has not been changes in between the hiring process.
- After signature of the First part, one original copy is given to the worker in home country.
- The other original copy is brought along with the HR team to Mauritius for work permit and residence permit formalities.
- The worker should bring along with him/her the original copy of the contract of employment at his/her disposal while travelling to Mauritius for Second part signature.
- Once the Original Employment Contract is signed on the Second part in Mauritius, the original copy of the document remains with the worker.

i. At what stage of the recruitment process must recruitment agents provide contracts to prospective migrant workers?

As explained in question 3, the recruiting agent provide preliminary information on the contents of the contract of employment to prospective migrant workers after mobilization and job advertisement. A copy of the contract template is also be provided by the agent.

ii. In what language are contracts written for workers?

Contract of employment is translated in workers native language

- Bengali
- Hindi
- Malagasy



5. Has the recruitment process changed since January 1, 2023? Please describe the changes and the reason for any changes:

Yes, there has been improvement in recruitment policies since December 2022 with regards to:

1. Addendum to Labour Service Agreement (LSA) (Appendix H).

The present Labour Service Agreement did not emphasize on the duties of the labour contractor to highlight all the sub agents that are formally or informally involved in the recruitment process. An addendum has been made on 25 July 2023 to the present contract where now the agent is obliged to demonstrate full traceability of all its subagents up until village level and ensure that no fees are paid along the chain by workers. In case any fees are paid by workers, reimbursement must be paid by the main agency.

2. RGL Recruitment policy (SMS-RE-001).

One of the main short comings of our recruitment process prior to January 2023 was that information pertaining to terms and conditions of contract were explained to potential workers by RGL only after they have successfully passed the interview and technical assessment.

Appropriate amendment has been made to the recruitment policy (SMS-RE-001 section 4) whereby, a copy of the Employment Contract letter will be handed to regional offices, employment offices and/or Sub-Agent Offices (if any) with the aim of giving workers a good perspective of employment conditions while advertising Job position for R.E.A.L Garments Ltd in source country.

Prior to start of worker interviews with a specific batch of potential candidates, a template of the Employment Contract in own worker language is provided to all potential new recruits by recruiting agent.

3. Labour Supplier Monitoring policy and procedure (SMS-RE-037).

RGL supplier audit conducted last September 2022 in Bangladesh demonstrated a weakness in monitoring of the labour agent activities. Though audits were planned systematically twice a year, the whole aspect of local transportation fees paid by agent or by workers and its subsequent refund was not monitored formally and closely.

The Labour Supplier Monitoring policy and procedure (SMS-RE-037) was developed and implemented in December 2022 where verification of the fees incurred in the recruitment process is performed at 04 levels (Awareness and Training in Home Country and Recruitment Fee Verification before pre-departure, Worker Survey and Feedback in R.E.A.L Garments Ltd and Labour Supplier's Management Systems Auditing).



Furthermore, a necessary amendment was brought in July 2023 to bracket all aspects of recruitment fees including reimbursement with prospective workers through a detailed questionnaire in workers language prior to their departure (Appendix F).

Living and Workplace Standards and Policies

6. Does R.E.A.L currently maintain workplace standards and policies governing the working and living conditions for its workers?

Yes, RGL maintains a series of policies and standards governing the rights of workers to their working and living conditions in Mauritius. The policies are as listed below:

Sn	Reference	Detail Policy	Area	Status	Date	Revision Date
1	SMS-RE-001	Recruitment Policy for Expatriate Workers	Employment of Migrant Worker	Completed	30-Mar-22	19-Jul-23
2	SMS-RE-002	Recruiting Agent Code of Conduct		Completed	30-Mar-22	
3	SMS-RE-003	Migrant Labour Policy		Completed	30-Mar-22	
4	SMS-RE-004	No Recruitment Fee Policy		Completed	30-Mar-22	
5	SMS-RE-005	Policy on Direct Recruitment of Former Migrant Worker		Completed	30-Mar-22	
6	SMS-RE-006	Expatriate Worker Departure Policy		Completed	30-Mar-22	
7	SMS-RE-007	Non-discrimination policy	Fair Worker Treatment	Completed	30-Nov-22	
8	SMS-RE-008	Child Labour Policy		Completed	30-Nov-22	
9	SMS-RE-009	Policy on Anti-Harassment		Completed	30-Nov-22	
10	SMS-RE-010	Forced Labour Policy		Completed	30-Nov-22	
11	SMS-RE-011	Disciplinary Policy		Completed	30-Nov-22	
12	SMS-RE-012	Freedom of Association and Right to Collective Bargaining		Completed	30-Nov-22	
13	SMS-RE-013	Compensation Policy		Completed	30-Nov-22	
14	SMS-RE-014	Corruption and Bribery		Completed	30-Nov-22	
15	SMS-RE-015	Anti Retaliation Policy		Completed	30-Nov-22	
16	SMS-RE-016	Pregnancy and Maternity Policy		Completed	30-Nov-22	
17	SMS-RE-017	Paternity Policy		In Progress		
18	SMS-RE-018	Policy on Working hours		Completed	30-Nov-22	
19	SMS-RE-019	Employee Training and Development Policy		In Progress		
20	SMS-RE-020	Policy on Effectiveness Grievance Mechanism		Completed	30-Nov-22	
21	SMS-RE-021	Works Council Policy		Completed	15-Jul-23	
22	SMS-RE-022	Policy on Recruitment of Local Workers	Completed	30-Mar-22		


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23	SMS-RE-023	Local Employee Separation Policy	Employment of Local Worker	Completed	30-Nov-22	
24	SMS-RE-024	Employee Leaves Policy	Working and Living Conditions	In Progress		
25	SMS-RE-025	Attendance Monitoring and Control		In Progress		
26	SMS-RE-026	Smoking Policy		Completed	30-Mar-22	
27	SMS-RE-027	Health and Safety Policy		Completed	09-Nov-22	
28	SMS-RE-028	Personal Protective Equipment Policy		Completed	09-Nov-22	
29	SMS-RE-029	Environment Policy		Completed	18-May-23	
30	SMS-RE-030	Chemical Policy and Procedure		Completed	26-Sept-22	
31	SMS-RE-031	Customs Compliance Policy		In Progress		
32	SMS-RE-032	Security Policy		Completed	09-Nov-22	
33	SMS-RE-033	Employee Identification Policy		Completed	11-Nov-22	
34	SMS-RE-034	Compliance with Laws and Workplace Regulations		In Progress		
35	SMS-RE-035	Dormitory Living Condition Policy		Completed	30-Jul-23	
36	SMS-RE-036	Human Resources and Labour Standard Policies		Completed	30-Nov-22	
37	SMS-RE-037	Labour Supplier Monitoring Policy and Procedures		Supplier Monitoring and Control	Completed	30-Dec-22
38	SMS-RE-038	Waste Management Policy & Procedure		Completed	09-Mar-23	
39	SMS-RE-039	Waste Material Handling Policy		Completed	14-Dec-22	
40	SMS-RE-040	Seal Procedure		Completed	13-Jul-23	
41	SMS-RE-041	Incident and Sickness Reporting Policy and Procedure		Completed	13-Apr-23	

- a. **If so, please send Transparentem a copy of relevant workplace standards and policies.**

Copies of all policies are attached in the mail for your reference.

- b. **If your company does not maintain relevant policies, please let us know if you plan to develop policies and on what timeline.**

Not Applicable.



c. Please summarize any company policies governing the following areas:

i. Food and accommodation deductions

According to the National Minimum Wage Regulation (2017) no deduction is authorised for food and accommodation. Food and accommodation are paid in kind and is included in the national minimum wage calculation. This is also aligned with ILO Convention No. 95.

ii. Overtime hours and payment rates

Please refer to Working Hours Policy (SMS-RE-018). Overtime rates are paid in accordance to Paragraph 2 (Extra Work) in The Export Enterprises Remuneration Regulation 2019.

iii. Living standards in factory-provided dorms

Please refer to Dormitory Living Condition Policy (SMS-RE-035).

iv. Workplace health and safety

Please refer to Health and Safety Policy (SMS-RE-027)

v. Workplace harassment and abuse, including use of intimidation and threats

Please refer to Policy on Anti-Harassment (SMS-RE-009)

vi. Freedom of association

Please refer to Policy on Freedom of Association and Right to Collective Bargaining (SMS-RE-012)

vii. Sick leave, including how to take sick leave and compensation for sick leave

Please refer to Policy on Compensation (SMS-RE-013).

viii. Access to medical care

Please refer to Policy on Incident and Sickness Reporting Policy and Procedure (SMS-RE-041)



d. Please describe how R.E.A.L ensures compliance with the above policies and standards:

RGL has appointed following positions in the Sustainability Management Team to ensure acceptable Compliance and Safety and Health standards in factories and dormitories:

SN	Position	Roles and Responsibilities	Scope
1	HR Manager	Communication to workers	Factories and Dormitories
2	Departmental Line Managers	Implementation	Factory
3	Maintenance Manager	Safe Maintenance Assistance	Factories and Dormitories
4	Safety and Health Officer/HR Manager	Monitoring and Reporting	Factories and Dormitories
5	Compliance Manager	Assessment and Review	Factories and Dormitories
6	General Manager	Overview and Control	Factories and Dormitories
7	Administrative and Finance Director	Financial Support	Factories and Dormitories

i. How does R.E.A.L address detected instances of non-compliance with these policies or standards?

- Daily Safety and Health and Housekeeping checklist (Appendix L) filled by Head of Departments.
- Daily dormitory housekeeping checklist filled (Appendix M) by Welfare Officers.
- Weekly/Monthly preventative maintenance checklist filled by Maintenance department.
- Weekly Safety and Health monitoring is conducted by Safety and Health Officer supported by written report and photo evidences.
- Monthly Environmental monitoring is conducted by Environmental Officer supported by written reports and photo evidences.
- HR Manager and Team coordinate the communication and good functioning of each responsible party's duties.
- Compliance Manager conducts assessment and review on a quarterly basis to ensure complete adherence and sustainability to compliance standard.
- General Manager ensure good and safe functioning of factories and dormitories.
- Admin and Financial Director provide full financial support to achieve Compliance and Safety and Health standard.



7. Has R.E.A.L updated any of its workplace or living standards and policies since January 1, 2023?

a. If yes, please provide details on what was updated:

No policy related to workplace and living standard has been updated since January 2023.

However, following policies were implemented during the course of the year 2023 as per below:

- Environment Policy (SMS-RE-029)
- Dormitory Living Condition Policy (SMS-RE-035)
- Incident and Sickness Reporting Policy and Procedure (SMS-RE-041)

Grievance Mechanisms

8. Does R.E.A.L currently provide grievance channels for workers to report workplace issues and seek improvements?

Yes, RGL maintains a policy on grievance mechanism (SMS-RE-020) for workers to report workplace issues and have remedial actions.



- a. **Please describe how each channel functions, including who maintains the channel and provides remediation, what language the channels are available in, and any procedures to ensure workers are safe from retaliation for reporting grievances:**

With reference to Grievance policy (SMS-RE-020 Section 3) all grievance channels are clearly described as per below details:

Grievance channel	Who maintains	Who provides remediation	Policy Language
Works' Council	HR Department	Maintenance HR Department Welfare Departmental Managers	Bengali Hindi Creole Malagasy English French
Direct Reporting to Management (open door policy)	Management	Management HR Department Welfare Middle/Departmental Managers	Bengali Hindi Creole Malagasy English French
Employee Suggestion Box	Management/Compliance HR Department	Management HR Department Welfare Middle/Departmental Managers	Bengali Hindi Creole Malagasy English French
Reporting through Person of Confidence	Workers	HR Department	Hindi Creole Malagasy English French

Besides, RGL maintains a separate policy on Anti-Retaliation (SMS-RE-015) where it has been clearly spelled out that *"Employees have the right to communicate problems, suggestions or issues to any manager. No retaliation policy applies to all official or unofficial reports. All complaints will be kept confidential and investigation will be as little disruptive as possible"*.



i. How often are workers using the grievance mechanisms and what are the timelines for addressing any complaints?

Grievance channels are being used in an effective manner and issues are being addressed promptly.

ii. How could the grievance mechanisms be improved?

RGL shall undertake the necessary steps towards revising the current grievance mechanism by making it simple and user friendly for the workers without adding levels and complexity to solve grievances.

With the participation of Workers Council members, the grievance policy and procedure shall be revised to outline clear procedure for grievance recording, investigation, actions taken, remedial action for non-recurrence.

A factory wide awareness training will be conducted in workers' native language.

b. If no such channel exists, please describe how R.E.A.L assures workers are able to report any living or workplace violations or grievances.

Not applicable

c. Have there been any changes to the grievance mechanisms available to workers since January 1, 2023? If so, please explain.

No, the current mechanism is still the same as developed in November 2022. However, a factory wide awareness training will be done on its importance for workers to report any living or workplace grievances.



Updates and Actions

9. Has R.E.A.L worked with any buyers or third-party auditors to assess workplace conditions and develop corrective action since January 1, 2023?

If yes:

Yes, RGL have done several third-party audits summarized in below table:

SN	Audit Type	Audit Name	Auditing Company	Audit Date	Scope
1	Certification	C-TPAT	SGS Mauritius	13-14 March 23	Cargo and Factory Security Standards
2	Client Audit	Social Responsibility Assessment	VERITE	14-15 June 23	Recruitment Fees, Social, Ethical, Health and Safety and Work and Living Condition
3	Certification	GRS	Control Union	05-07 July 23	Process, Health and Safety, Chemicals, Environment

a. Please describe the involved parties, dates, scope, and findings of the assessment:

Refer to table above and Appendix K and O.

b. Please describe the corrective action R.E.A.L has undertaken in response to such assessments:

Refer to Appendix K and O.

c. Can you describe actions taken by R.E.A.L to address root causes and prevent recurrence of issues?

1. Preventative Management System.
 - a. Mapping the entire recruitment process
 - b. Effective preventative maintenance system in factories and dormitories
2. Health and Safety Management System.
 - a. Involvement of all Departmental Line Managers, supervisors and dormitory welfare officers in the process to have compliance ownership through implementation respectively of daily Safety and Health, Housekeeping and Dormitory checklist.
 - b. Weekly Safety and Health KPIs for both factories and dormitories.
 - c. Compliance and HR Manager to coordinate action plan and prompt resolutions of the above responsibilities assignment mentioned in 2 a and b.



3. Risk Assessment Management System.
 - a. Updated risk assessment report covering all hazard areas.
 - b. Capture any risk or hazard through KPIs for decision.
4. Effective Training and Awareness.
 - a. Assess effective of training programs
 - Health and Safety
 - HR (Policies and Procedures)
 - Works' council
 - Production
 - d. Are any corrective actions planned but not yet implemented? Please provide details and timelines, as well as information on all involved parties.**

Refer to Appendix K and O.

- e. Please attach any supporting documentation.**

Additional Comments and/or Suggestions

Please provide any recommendations on how to most effectively improve working conditions for migrant workers, including how to resolve issues related to the recruitment process and the payment of recruitment fees and related costs.

The Mauritian Government and the MEXA is currently working on a legal framework to regulate the recruitment and employment of migrant workers. A private recruitment agencies bill is currently under review by the Ministry of Labour, while on the other side the MEXA, in collaboration the International Organization for Migration has developed a code of conduct for the Hiring and Employment of Migrant Workers in Mauritius which is currently at the validation stage.

As key stakeholders in the industry, this approach will be beneficial to us and any migrant worker who wants to come and work in Mauritius.



Please provide information on how buyers can best support your company to make improvements and any other support that would be needed or other partners that should be involved.

Our group buyers have been collaborating closely with RGL in the last few months on strengthening, in a consistent manner, the CAP Report from Verité and the work that has been carried out with them were of great help to enable prompt resolutions on all observations and issues identified.

8.0 Aquarelle Responses

Aquarelle sent the following responses to Transparentem's investigation:

1) August 10, 2023: Aquarelle Response to Transparentem, Maneesh Patel, CEO Aquarelle Region.



Aquarelle Response to Transparentem

Contact Information

Date: 10 August 2023

Name of person submitting this response: Maneesh Patel

Title: CEO Aquarelle Region

Email: [REDACTED] Phone: [REDACTED]

Completion Deadline: August 10, 2023

Overview

We are asking your company to respond to the questions below to inform Transparentem's public reporting on conditions for garment factory workers in Mauritius. As part of this project, we have also met with 18 buyers from factories in Mauritius and are currently contacting the management of three other suppliers. We will incorporate the responses from all buyers and suppliers into our reporting, which will be posted on our website and which we will provide to institutional investors, regulators, journalists, and advocacy groups for their awareness and potential action.

Please send any documentation relevant to the questions below to Transparentem. We encourage suppliers to provide as much on-record material as possible. Please mark any materials that are confidential or not for attribution as such and send it as a separate file. We may use any materials marked not for attribution to inform our reporting on progress, but will not quote from them or attribute them to your company.

Recruitment Processes

1. Please provide information about how Aquarelle recruits migrant workers:

At Aquarelle, our recruitment process for migrant workers follows a thorough and responsible approach. We fully collaborate with International and local agencies to ensure transparency and fairness. Our process includes comprehensive interviews, skill assessments and verification of legal documents. We strive to provide equal opportunities to all candidates and uphold the highest ethical standards during the recruitment process. The following procedure is in place to recruit migrant workers by Aquarelle Clothing Ltd (hereinafter referred to as "ACL"):

1. The company informs the agents about its intention to recruit skilled operators through a formal request;
2. Once confirmation is received from the agent, the HR Manager and the Technical manager travel to Bangladesh and India to conduct technical test and individual interviews;
3. Successful candidates are given a pre-onboarding presentation by the HR Manager covering aspects such as contracts, conditions of work incl. salaries, benefits, living conditions (accommodation) and no charges, amongst others;
4. Upon acceptance of the proposed conditions of work, contracts are issued to the candidates in English and their native language to ensure clarity and understanding by the workers;
5. The successful candidates are sent for medical tests at the expense of the company and all documentation is sent to ACL for the purposes of work permit applications;

Note:

- For Malagasies, the recruitment is done through our sister companies based in Madagascar and a similar process is followed.
- ACL undergoes regular social compliance and ethical audits by independent external auditors appointed by clients.

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ACL also conducts internationally recognized audits leading to certifications namely by WRAP, HIGG-FSLM and SEDEX.

Please find :

- Recruitment Policy and Procedure as per **Annexure 1**
- Extract of Onboarding presentation as per **Annexure 2**
- Contract templates in native language as per **Annexure 3**
- Copy of WRAP, HIGG and SEDEX certificates as per **Annexure 4**

Please include information on:

- a. policies and procedures that govern Aquarelle's work with agents, including subagents and agents in other countries, who recruit foreign migrant workers, and

ACL has well-defined recruitment policies and procedures in place to guide our collaboration with agents, including those in other countries, who are involved in recruiting foreign migrant workers. ACL engages only with certified agencies, with whom we have a legally binding contractual agreement, ensuring that they adhere to our ethical standards and share our commitment to fair and transparent recruitment practices. It is important to note that we do not work with subagents (as per section 27 of the contract agreement), as part of our efforts to maintain direct oversight and accountability in the recruitment process. This approach reflects our commitment to responsible recruitment and the well-being of all involved parties.

- Copy of contract agreement with Agents as per **Annexure 5**

- b. whether and how Aquarelle's conducts oversight to ensure recruiters adhere to Aquarelle's policies and procedures.

To ensure that recruiters adhere to our established policies and procedures, ACL endeavours to the best of its ability to ensure compliance as follows:

During the recruitment phase, the HR Manager holds briefing sessions with agents, explaining the specifics of our policies and procedures. It is explicitly communicated that agents are prohibited from imposing any commissions.

ACL pays the agreed agent fees directly to the agent after the operators assume duty in Mauritius.

As part of the onboarding process, there is an informal engagement with the operators to gain an understanding as to whether they have paid any commission to the agents. Note: no records of those engagements have been kept to date but ACL plans to formalize this process in its onboarding through a joining checklist.

Prior to February 2023, during the interview process, there was a question put to the workers asking them about whether or not they paid a commission to the agent. They always answered negatively.

Since February 2023, the procedures have been reviewed and strengthened, requesting a signed document at the time of interview, by the selected workers, certifying that they have not paid any commission to agents.

- Sample of signed document by workers from February 2023 as per **Annexure 6**

2. Please describe the payment of recruitment fees and related costs associated with employing migrant workers at Aquarelle:


TRANSPARENTEM

- a. Under Aquarelle’s policies, who is responsible for paying workers’ recruitment fees and related costs?
 ACL is responsible for the payment of recruitment fees and related costs directly to the agent through bank transfers.
- i. What specific costs does Aquarelle include among “related costs”?
 Related costs include:
1. Agent fees
 2. Medical fees
 3. Passport renewal costs
 4. Passport application costs (specific to Malagasies as they usually do not hold a passport at the time of recruitment).
- Note: ACL has updated its policy to include inland Transport costs (Note: Air tickets are already paid by the company under recruitment fees) in ‘related costs’. ACL has as a result refunded all its current employees irrespective of the date of joining the company
- b. How is Aquarelle collecting information and determining what fees and costs workers may have paid in their home countries?
- o A survey is conducted with the migrant workers to determine what fees and costs have been incurred by them.
 - o ACL undergoes regular social compliance and ethical audits by independent external auditors appointed by clients, namely WRAP, HIGG-FSLM and SEDEX.
- o Sample of survey conducted with workers as per **Annexure 7**
- i. How much have workers reported paying in recruitment fees and related costs?
 Please include amounts and provide examples from many migrant workers and a range of the costs paid. This should include any and all costs that workers needed to pay in order to get their jobs at Aquarelle.
 Our survey indicated that, prior to September 2017, the following amounts were paid per worker:
- o Bangladeshis - 45,000 Taka (Agent fee incl. Medical Fee)
 - o Indians - 23,000 INR (Agent fee) : 2,000 INR (Medical Cost)
 - o Malagasies – No cost was incurred.
- Note: All costs incurred were reimbursed to the workers in October 2022.
- ii. Please state who workers reported paying costs to:
 Prior to September 2017, the workers reported that they paid Agent fee to the Agent and Medical costs to the Local Laboratory.
- c. Does Aquarelle have knowledge that workers paid fees or any payment or the transfer of anything of value to subagents or anyone who is not officially connected to Aquarelle but who are able to help them secure jobs at Aquarelle? This includes fees and costs paid to people in workers’ home countries.
 ACL does not conduct any dealings with subagents.
- i. Please elaborate on who was paid, information on the amounts paid, and other details on the recruitment process:
 Not applicable as ACL works only with main agent.
1. Does Aquarelle maintain a policy to reimburse workers who have paid these costs in the past, and if so, how is it implemented?


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ACL has conducted a survey with the workers to ascertain the amounts paid. Such amount was reimbursed in October 2022 (for those who joined prior to September 2017) via bank transfer.

- ii. Has Aquarelle developed or implemented any programs related to the reimbursement of workers for past recruitment fees and related costs?
ACL has conducted a survey with the workers and reimbursement has been made accordingly. Refer to **Annexure 7**
 - 1. If no, how would Aquarelle respond to reports that migrant workers paid recruitment fees and related costs? *Not applicable*
 - 2. If yes, please provide details on the timeline for repayment plans, amounts to be repaid, the process for determining the amounts, etc.:
Not applicable as reimbursements have already been done in October 2022 for agent fees and medical costs incurred before September 2017 and for Transport for all workers in July 2023.
 - 3. When were these programs first implemented or developed?
These programs were first implemented in October 2022
 - 4. Please provide the scope of the repayment? Does repayment apply only for Aquarelle, or for other units within CIEL Textile?
The scope of the repayment initiative has already been implemented for ACL. For other units of CIEL Textile, there is also zero recruitment and related fee policy and as such, to the best of our knowledge and based on all independent audits carried out by our customers and certification bodies, no such issues were identified.
 - 5. Please provide full details and please send Transparentem any related documentation.
Not applicable
- d. Please provide any other details related to Aquarelle's policies on recruitment fees and related costs:
 - **Recruitment Policy and Procedure as per Annexure 1**
- 3. Has the recruitment process changed since January 1, 2023? Please describe the changes and the reason for any changes.
ACL reviews its policy on a regular basis as a result of ongoing audits and certifications (HIGG FSLM, WRAP, SEDEX).
The recruitment policy has been updated in August 2023.
 - **Recruitment Policy and Procedure as per Annexure 1**



Updates and Actions

4. Has Aquarelle worked with any buyers or third-party auditors to assess workplace conditions and develop corrective action since January 1, 2023?

If yes:

- a. Please describe the involved parties, dates, scope, and findings of the assessment:
As part of ACL ongoing commitment to provide fair working conditions to its workers, the company goes through regular audits and certification (WRAP, HIGG FSLM and SEDEX) ACL is also subject to regular third-party auditors as appointed by the buyers.
Since January 1, 2023, ACL has been subjected to an independent audit by Elevate at the request of one of ACL buyers.
 - ACL Remediation Plan 2023 as per **Annexure 8**
- b. Please describe the corrective actions Aquarelle has undertaken in response to such assessments:
 - Please refer to the ACL Remediation Plan 2023 as per **Annexure 8**
- c. Can you describe actions taken by Aquarelle to address root causes and prevent recurrence of issues?
 - Please refer to the ACL Remediation Plan 2023 as per **Annexure 8**
- d. Are any corrective actions been planned but not yet implemented? Please provide details and timelines, as well as information on all involved parties.
 - Please refer to the ACL Remediation Plan 2023 as per **Annexure 8**
- e. Please attach any supporting documentation.
 - Please refer to the ACL Remediation Plan 2023 as per **Annexure 8**

5. Has Aquarelle made any other updates or changes since January 1, 2023 that would affect workers' living or working conditions?

ACL remains committed to providing a conducive and fair working conditions to all its workers. ACL currently provides the following to wellbeing activities for our workers as per **Annexure 9**:

- RISE Program
- Celebration of Independence Days
- End of Year Parties
- Celebration of festivals
- Recognition for Employees
- Excellence at Grass Roots (EGR) Non-Staff Committee (Including expatriates). This is a monthly meeting carried out where representatives of each factory express their grievances to a managing committee. Management has the responsibility to listen and attend to queries raised.
- EGR Rituals - This is a daily practice to help all employees boost their energy before starting to work. ACL has witnessed a rise in a feel-good factor since starting this process.
- Performance reviews at Grassroot Level including Expatriate Workers

As from January 1, 2023, a dormitory committee was set up chaired by Senior Management to review status of dormitories.

**Additional Comments and/or Suggestions**

Please provide any recommendations on how to most effectively improve working conditions for migrant workers, including how to resolve issues related to the recruitment process and the payment of recruitment fees and related costs. Please provide information on how buyers can best support your company to make improvements and any other support that would be needed or other partners that should be involved.

- To effectively enhance working conditions for migrant workers, it's crucial to establish transparent recruitment practices that prevent the payment of fees.
- Conduct educational campaigns for workers and agents.
- Collaborate with third-party auditors to ensure regular assessments of workplace conditions and recruitments.
- Buyers can support by demanding ethical practices from suppliers and incorporating such clauses in contracts.
- Engage with NGOs, government agencies, and technology solutions to further strengthen transparency.
- By combining these efforts, a holistic approach can be achieved, ensuring fair treatment for workers and ethical recruitment practices within the organization's supply chain.

9.0 Mauritius Government Responses

The Mauritius government sent the following responses to Transparentem's investigation:

- 1) August 9, 2023: Summary of the Migrant Workforce in Mauritius
- 2) October 20, 2023: Clarifications to Transparentem
- 3) October 23, 2023: Additional Information

SUMMARY OF THE MIGRANT WORKFORCE IN MAURITIUS

Background on Mauritius and its Manufacturing Sector

1. Mauritius has a multi-ethnic population originating from Europe, Asia and Africa.
2. Since the 16th century, Mauritius has seen various waves of settlement from the Dutch, French and British who had brought indentured labourers to work mainly in the sugar cane fields.
3. All these people of different origins have cohabited peacefully. The migrant workers had started coming to Mauritius as from the 1990's initially from China and now mainly from India, Bangladesh, Nepal and Madagascar. The peaceful cohabitation still prevails.

The Textile industry in Mauritius

4. The manufacturing industry has played a vital role in the economic development of Mauritius for the last 40 years. The industry contributes around 14% of GDP, employs approximately 90,000 people with over 700 companies. The traditional manufacturing sector has evolved into a technology-intensive sector and offers investment opportunities in textile, agro-industry, spinning, fashion design and food processing activities.
5. The textile sector triggered the Mauritian industrial revolution. Over the past four decades, the textile industry has boosted economic growth and has attracted FDI from various countries. The local textile industry has evolved from a basic production system in the 1970s to a competent supplier across the entire value chain in design-driven production. Today, the Mauritian textile industry is capable of meeting the challenges of a liberalized market through its flexibility and adaptation capability to the needs and requirements of the global market. The success of the business model in the textile sector in Mauritius is often cited as example in Africa.

Mauritius: convenient for investors

6. Mauritius is recognized as a leader in Africa in innovation, tax efficiency through Double Tax Avoidance Agreements and other agreements on investment signed with countries. The country has trade agreements with countries and Regional Economic Blocs such as the EU, UK, USA, COMESA, SADC, Pakistan and Turkey. The recently signed Mauritius-China Free Trade Agreement and the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) with India further enhance trade

opportunities for Mauritian companies to access large markets, thereby broadening their scope and growth prospects.

Compliance with Environmental Norms, Fundamental Human Rights and Conventions

7. Companies in Mauritius involved in textile and clothing have demonstrated their commitment to sustainability and responsible practices by adhering to a series of international standards. These standards serve as a benchmark for ethical sourcing, environmental management and overall sustainability of company operations. Some of the most important standards which are complied with by the companies include the Global Organic Textile Standards, OEKO – TEX, Zero Discharge of Hazardous Chemicals, REACH, SMETA, Sustainable Apparel Coalition and Science Based Target Initiative.

8. Section 16 of the Constitution of Mauritius provides that no law shall make any provision that is discriminatory on account of race, caste, place of origin, political opinions, colour, creed or sex. There is no discrimination between citizens of Mauritius and migrants.

9. Article 13 of the *Code Civil Mauricien* stipulates that –

L'étranger jouira à Maurice des mêmes droits civils que ceux qui sont ou seront accordés aux Mauriciens par les traités de la nation à laquelle cet étranger appartiendra.” (The foreigner will enjoy in Mauritius the same civil rights as those which are or will be granted to Mauritians by the treaties of the nation to which this foreigner belongs.)

10. Migrant workers enjoy the same terms and conditions of employment, including minimum wages as those laid down for local workers in our labour legislation. No worker shall be treated in a discriminatory manner by his employer during his employment and no person shall be treated in a discriminatory manner by a prospective employer in respect of access to employment or occupation.

11. Mauritius is a party to the following Conventions:

- (a) The UN Convention against Transnational Organised Crime, the Protocol to Suppress and Punish Trafficking in Persons, especially Women and Children supplementing the UN Convention and the Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the Convention

- (b) ILO Convention No. 29 concerning Forced Labour and ILO Convention No. 105 concerning the Abolition of Forced Labour
- (c) ILO Convention No. 87 concerning Freedom of Association and Protection of the Right to Organise
- (d) ILO Convention No. 98 concerning the Application of the Principles of the Right to Organise and Bargain Collectively
- (e) ILO Convention No. 100 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value and ILO Convention No. 111 concerning Discrimination in respect of Employment and Occupation
- (f) ILO Convention No. 159 concerning Vocational Rehabilitation and Employment (Disabled Persons)
- (g) ILO Convention No. 97 concerning Migration for Employment
- (h) ILO Convention No. 138 on Minimum Age
- (i) ILO Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour

12. Furthermore, Mauritius is party to the International Convention on the Elimination of all forms of Racial Discrimination (CERD), and is required to take effective measures to eliminate all forms of discrimination against all individuals including migrant workers. The Committee on the Elimination of Racial Discrimination receives and considers communications from individuals claiming to be victims of a violation by the State of Mauritius of any of the rights set forth in the Convention.

Migration Policy

13. Since June 2018, as recommended by the Global Compact for Safe, Orderly, and Regular Migration, Mauritius has a Migration and Development Policy which has been approved by Government. The policy ensures a holistic and coordinated approach to ensure better and sustainable living conditions, and includes *inter alia* measures to address unemployment.

Legal Protection and Actions by the Ministry of Labour, Human Resource Development and Training with Respect to Migrant Workers

Private Recruitment Agencies Bill

14. The Government of Mauritius is introducing a new legislation, namely the Private Recruitment Agencies Bill, to ensure ethical recruitment in line with the recommendations of the International Labour Organisation and the International Organisation for Migration.

15. The Bill aims at consolidating and strengthening the law with regard to the recruitment of citizens of Mauritius for employment locally and abroad, and for the recruitment of non-citizens for employment in Mauritius. The Bill, *inter-alia*, provides for:

- a) an Employer Pay Principle (EPP), meaning that no person shall charge a worker any fee in relation to his recruitment and all cost for his recruitment, including his travel expenses, shall be borne by his employer;
- b) prohibits deceitful and misleading advertisements and canvassing for wrongful inducement for the recruitment of workers; and
- c) gives more powers to the enforcement agency with regard to the variation, suspension and revocation of a licence for the recruitment of workers.

16. A first reading of the Bill in Parliament has already been made. The second reading will be made during the next session of Parliament scheduled in mid-October 2023. Some of the proposals made by Transparentem on the Bill are being considered. As per the legislative procedure, when a Bill is already introduced in the Parliament, any amendment thereto can only be brought at Committee Stage. Some amendments to the Bill would be brought at Committee Stage.

Memoranda with Sourcing Countries

17. In order to establish a framework to facilitate the recruitment, employment and protection of migrant workers, the Government of the Republic of Mauritius has engaged with the main sourcing countries through G2G agreement frameworks which include *inter alia* aspects on recruitment fees and the Employer Pay Principle.

18. A Memorandum of Understanding (MoU) was signed with India on 10 May 2023. It provides, *inter-alia*, for the fair and ethical recruitment to be conducted pursuant to the 'G to G' mechanism. It is based on the Employer Pay Principle (EPP), and equal treatment of foreign workers as accorded to locals in matters of working relations, conditions, social protection, health, hygiene and workplace safety. A Communique has been issued to inform the public that all recruitment from India has to be made through a Governmental institution based in India in accordance with the MoU as from 1st October 2023.

19. Since 2019 consultation had been initiated with the Embassy of Bangladesh in Mauritius for the conclusion of a reviewed MoU with respect to recruitment of migrant workers and the MoU includes provisions for all recruitment from Bangladesh to be affected through Bangladesh Overseas Employment and Services Ltd which is a recruitment agency established by the Government of Bangladesh. However, the initiative has encountered setbacks because of elections in Bangladesh and the COVID-19 pandemic. The engagement with the authorities in Bangladesh is being pursued for the conclusion of the MoU. Operators in Mauritius have been requested to diversify their source of migrant workers.

20. In June 2019 the Government of the Republic of Mauritius signed a MoU with the Government of Nepal on the recruitment and employment of workers from Nepal. The responsibilities of employer, worker, Nepali Recruitment Agencies and Nepali authorities are clearly spelt out in the MoU. Consultations have started with the Nepali Embassy based in Pretoria for a new MoU in line with ILO and IOM recommendations.

21. Consultations have also been initiated with the Malagasy authorities since 2019 with regard to a MoU between Mauritius and Madagascar on recruitment of workers therefrom.

22. The possibility of securing a declaration from the migrant workers to the effect that he/she has or has not paid any recruitment-related cost to anybody before he/she comes to Mauritius is being explored.

Working Conditions of Migrant Workers

23. The working conditions and salaries of workers both local and foreign are well regulated in the Workers' Rights Act and under the relevant Remuneration Orders. The contract agreements of migrant workers are vetted by Labour Inspectors to ensure that

the provisions therein are in accordance with the relevant pieces of legislation. Labour Inspectors meet the migrant workers within one month upon notification of their arrival to Mauritius to take stock of their working conditions and to ensure compliance. They are also provided an induction on their rights and employment-related matters.

24. A pamphlet entitled “Know Your Rights” is already available and it has information pertinent to *inter alia* Recruitment Agents, Travelling to Mauritius, Remuneration, Food, Lodging, Health and Safety, a Hotline and other relevant Contact Numbers. The Pamphlet is being updated after consultation with stakeholders in view of amendments brought to legislation. Once updated, the pamphlet would be widely disseminated. As a second phase, the possibility of translating the pamphlet in the languages of the migrant workers and audio/video on the basic and generic information would be worked out for better reach.

25. A dedicated page entitled “Migrant Workers’ has been created on the Ministry’s website, where, once clicked, information pertinent to migrant workers such as standard contracts, lodging accommodation and links to Remuneration Orders and Unit dealing with Work Permits are available.

Living Conditions of Migrant Workers

26. The Occupational Safety and Health (Employees’ Lodging Accommodation) Regulations govern the accommodation and related facilities for migrant workers. Only compliant buildings are issued with the Lodging Accommodation Permit. The regulations provide that no lodging accommodation shall be located in the same building as the factory or place of work.

27. Amendments to the Regulations are being worked out to further enhance the living conditions, facilities and cleanliness in the lodging premises.

National Minimum Wage

28. In accordance with the Occupational Safety and Health (Employees’ Lodging Accommodation) Regulations, the employers have a statutory obligation to provide lodging accommodation to an employee including a migrant worker. The national minimum wage was introduced in 2018 and the food and housing costs were included therein for Export Processing Zone in order to maintain its competitiveness. Such practice exists in countries like UK, Malaysia, India and South Africa. The foregoing

explains the rationale for the existing practice of deducting the accommodation and food costs from wages of migrant workers by employers who are providing same in the Export Processing Zone.

29. In order to do away with the existing practice of deducting such costs from wages, the National Wage Consultative Council is working on proposals to exclude the costs of food and accommodation from the national minimum wage. The Council is expected to meet on 18 October 2023 to deliberate and thereafter, submit its report for consideration by Government.

Complaints/Grievances Mechanism

30. The Citizen Support Portal which is an initiative of the Prime Minister's Office (Citizen Support Unit) is an online service allowing citizens of Mauritius to directly transmit their requests, concerns and ideas to Ministries, departments, parastatals and local authorities either through Citizen's Advice Bureaus (CABs) or online. Citizens can also keep track of their requests through a ticketing system.

31. Presently, Mauritian citizens including migrant workers with no access to computer or internet can go to the nearest CAB where an officer registers their requests/complaints on the portal and thereafter, matters pertaining to working and living conditions as well as stay of migrant workers in Mauritius are channeled the Ministry of Labour, Human Resource Development and Training for remedial measures.

32. Upon a request from the Ministry of Labour, Human Resource Development and Training to allow the use of the online platform by migrant workers, the Prime Minister's Office, in consultation with the service provider, is in the process of enhancing the platform: www.csu.mu and the Mobile App for direct registration of complaints by migrant workers by allowing the insertion of passport particulars,. Once the online platform is operational for migrant workers, the Citizen Support Unit, in collaboration with the Ministry, would publicise the new platform through its communication campaigns.

33. The human resources in the Special Migrant Workers Unit of the Ministry have been optimized so that it focuses only on migrant workers and for it to be able to act as an effective response team.

Collaboration with International Organisation for Migration (IOM)

34. The Ministry is consulting the IOM to learn and understand the best practices adopted in other host countries in regard to mechanisms put in place for the protection of rights of migrant workers and for more effective handling of complaints. The IOM has agreed to assist after taking stock of the existing structures and mechanisms already in place or initiated. Discussions in that direction are underway.

Access to Dormitories and Factories

35. Section 3 of the constitution of Mauritius upholds the right of the individual to protection for the privacy of his home. The Occupational Safety and Health (Employees' Lodging Accommodation) Regulations governs the lodging accommodation of employees in terms of safety and health. Inspectors regularly inspect the dormitories and breaches are duly sanctioned. There is no legal impediment for a member of a Trade Union to enter a dormitory for purposes agreed by parties concerned.

36. Section 40 of the Employment Relations Act provides that any officer or negotiator of a recognized trade union may enter a workplace for the purposes of collective bargaining or for the defense of the legal rights of members.

37. The issue regarding the unannounced inspections at workplaces of domestic workers or even dormitories was raised with Mr Muia, Director of ILO Country Office on 25 September 2023 during his visit to Mauritius. He said that the same problem was being encountered in other countries. He was requested to provide any assistance or support in that respect.

Change of Employers

38. Consideration is, in principle, given to requests from migrant workers to change their employer particularly where there has been infringement of the labour legislation by the employer. Upon receipt of a complaint, the Labour Inspectors conduct an investigation into the case and in the event the circumstances so warrant, the migrant workers are referred back to Employment Division of the Ministry for possible re-employment by another appropriate employer.

Freedom of Association

39. The Constitution of Mauritius upholds the freedom of assembly and association without discrimination. Furthermore, the Employment Relations Act does provide the right to Migrant workers to join or form a trade union as any local worker.

Technical Committee on Migrant Workers

40. An internal Technical Committee on Migrant Workers (TCMW) has been set up by the Minister of Labour, Human Resource Development and Training to look into issues relevant to a migrant worker's experience in Mauritius from recruitment within their country, issuance of work permit, arrival in the country, working and living environment, access to support services, enforcement of legal rights, termination of contract to repatriation.

41. The Technical Committee consists of the Hon Minister's advisory cadre, the Permanent Secretaries and the Technical Cadres of the Ministry. The TCMW co-opts other members as appropriate to their expertise, experience and insight to specific meetings, including members of the private sector who employ migrant workers.

42. One of the tasks of the TCMW is to recommend and implement measures to ensure that the spirit of the legislative protection of workers is upheld. While all workers, including migrant workers are strongly protected in Mauritius, it is understood that challenges such as language barriers, poor literacy or general apprehension in engaging with formal processes can inadvertently pose as a barrier to information and enforcement of rights.

43. The current focus of the TCMW is on the planning and implementation of digital resources, including visual and auditory resources which can be used to overcome literacy challenges and it is the intention of the Ministry of Labour, Human Resource Development and Training for its website to host a series of short videos in multiple languages that explain workers' rights and how to access support as well as other helpful information on migrating to Mauritius. This will enable workers to access critical information and make informed choices about migrating to Mauritius before signing a contract as well as while in country.

The Ministry of Labour, Human Resource Development and Training

06 October 2023

CLARIFICATIONS TO TRANSPARENTEM

- (a) As informed already, the Private Recruitment Agencies Bill was already introduced in the National Assembly, and amendments thereto could only be brought at Committee Stage based on discussions and agreement by members of the National Assembly.
- (b) The MoU with India is not posted on the website of the Ministry. However, the communique thereon issued to the public is available on address <https://empment-labour-govmu.org>
- (c) As already informed, the amendments to the Occupational Safety and Health (Employees' Lodging Accommodation) Regulations are being worked out, following which necessary clearances from relevant Ministries/Departments including the Ministry of Health and Wellness would be sought. Subject to all clearances being obtained, the amendments would be brought by the end of the year.
- (d) As explained, migrant workers are allowed to change employers under specific circumstances.
- (e) A dedicated page "Migrant Workers" is available on address <https://labour.govmu.org/sitepages/index.aspx>. By clicking on the page resources pertinent to migrant workers including staff particulars of the Special Migrant Workers Unit, standard contracts, Remuneration Orders, lodging accommodation as well as link to Work Permit unit providing a step by step guide for online application of work permit are available.
- (f) The Workers' Rights Act makes provisions for a labour inspection service to administer and ensure enforcement of the provisions relating to labour and employment. The inspection service is empowered to make enquiries and to summon. Failure to comply with the requirement of the written notice or refusal to answer any question and giving false or misleading information or refusal to produce documents as required by the inspection service constitute an offence.
- (g) A mechanism already exists to deal with requests from Employers to cancel work permits. Thorough investigation is carried out and thereafter, a decision is taken with respect to the requests from Employers based on the outcome of the investigation.
- (h) The existing online platform can be used by any Mauritian citizen including union members as it is open to all citizens. Arrangements are being made with the service provider of the online platform, through the relevant government department, to allow migrant workers to use the online platform by inserting their passport particulars.
- (i) At paragraph 22 of our submission it was mentioned that the possibility of securing a declaration from the migrant worker is being explored. It is only while discussing at our meeting that the use of audio technology was evoked. Allowing factories to recruit workers directly would tantamount to deregulation with no control over the arrangements between the private parties. It is indeed to curtail the malpractices and abuses by any individual or entity involved in recruitment exercises that the Government of Mauritius is coming up with the

Private Recruitment Agencies Bill so that nobody in Mauritius could recruit foreign workers without a licence.

- (j) The National Wage Consultative Council is still working on the recommendations to exclude costs of food and accommodation from national minimum wage. The National Wage Consultative Council is a body corporate statutorily set up and it is administered and managed by a Board. The Ministry is waiting for the Report from the Council.

Additional Information

Change of Employer

1. Transfer/ change of employer is allowed without permission of employer in cases where: (a) there is breach of contract from the employer's side; and (b) workers have been victimized, exploited, abused or wrongfully induced. Necessary amendments are also being brought to the Combatting of Trafficking in Persons Act whereby victims are referred to the Minister who may allow their employment under such terms and conditions as the Minister may deem fit under the Non-Citizen (Employment Restriction) Act.

As from January 2023, 165 Work Permit and 22 Exemption Certificates have been issued as a result of requests for transfer through the current mode

Direct Recruitment

2. Under the MoU with India, Mauritian employers are able to recruit workers directly without recourse to intermediary, through the National Skill Development Corporation India's job portal. The Employer Pay Principle will be applied strictly. No Permit will be given to those who do not comply with this principle.