

WORKER RIGHTS CONSORTIUM FACTORY ASSESSMENT

Suditi Industries / In Time Knits (India)

Findings, Factory Response, and Current Status



February 5, 2024



WORKER RIGHTS
CONSORTIUM

1990 K Street, NW, Suite 410
Washington, DC 20006
(202) 387-4884 | www.workersrights.org

Table of Contents

I.	Introduction and Executive Summary	3
II.	Methodology	6
III.	Findings, Recommendations, and Company Response	7
A.	Illegal Use of Contract Workers.....	7
B.	Wage and Hour Violations.....	9
C.	Violations Related to Employment and Payroll Records.....	11
1.	Non-issuance of Letters of Appointment.....	11
2.	Non-issuance of Pay Slips.....	12
D.	Non-functional Worker Committees and Failure to Provide Training	13
E.	Occupational Health and Safety.....	15
1.	Hazardous Goods Lift/Hoist	15
2.	Fire Safety Hazards	16
3.	Unergonomic Seating	19
4.	Broader Concerns Related to Fire, Electrical, and Structural Hazards	20

I. Introduction and Executive Summary

This report details the Worker Rights Consortium’s investigation and remediation of labor rights violations at Suditi Industries, Limited’s now-closed garment factory located in Navi Mumbai, Maharashtra, India (“Suditi”). At the time of the WRC’s investigation, Suditi employed roughly 75 workers, of whom about 45 worked at the factory through unregistered labour contracting firms.

At the time of the WRC’s assessment, the factory was the manufacturing location for collegiate apparel that Suditi supplied to the licensee, Camp David, through Suditi’s subsidiary, In Time Knits.¹ Suditi, itself, holds retail licenses for sales in India from the US National Basketball Association (NBA) and the Manchester City, Paris-St. Germain, and FC Barcelona professional soccer (football) teams.²

Background Information on WRC Assessment

The WRC initiated our investigation of Suditi in early 2022 at the request of WRC-affiliated universities who reported that a recent inspection of the factory for the auditing company, Sumerra, had found indications of, but had not been able to fully assess, significant violations of Indian labor laws—and, by extension, university codes of conduct—at the factory. Sumerra’s inspection of Suditi was conducted by the auditing company, ALGI, International.

After the Sumerra audit, Suditi’s owners, at the direction of Camp David, contracted for another inspection of the factory, this time by the auditing company, Intertek, which was conducted under the SMETA (Sedex Members Ethical Trade Audit) standard. This second audit failed to find the serious violations that ALGI’s auditors had identified.

The WRC’s investigation of Suditi, which included both an onsite inspection of the factory and offsite interviews with factory workers confirmed and documented the serious violations that the ALGI audit had identified by had not fully assessed. The WRC also found other severe labor rights abuses at the factories that the ALGI and SMETA audits had not reported.

Summary of Violations Found

The violations of university licensing standards and Indian law that the WRC identified at the factory included:

- Illegal use of unregistered labor subcontractors to employ workers;
- Nonpayment of legal minimum wage, overtime premiums, statutory annual bonuses, and mandatory retirement contributions to workers who were secretly employed, through two of these unregistered subcontractors, off the company’s rolls;
- Serious occupational health and safety hazards, including, but not limited to, severe hazards throughout the factory related to fire safety; and
- Failure to establish functional statutory committees in the factory, including, but not limited to, a fire safety committee, and failure to provide related training to workers.

¹ Suditi Industries Ltd., C-253/254, MIDC, TTC Industrial Area, Turbhe, Pawane village, Navi Mumbai, India.

² Suditi Industries Ltd., “Retail”, suditi.in/retail/.

Incomplete Remediation of Fire Safety Violations and Closure of Factory

With respect to the safety and health violations that the WRC found at Suditi, the factory management took steps to correct some of the serious hazards that the WRC had identified. However, even though the WRC had found obvious fire safety issues at the facility that put workers' lives at serious risk, the factory management resisted the WRC's recommendation that a fire safety inspection of the facility be conducted by a competent engineering firm. Instead, Suditi attempted to avoid correcting these seriously hazardous conditions by obtaining and presenting the WRC with obviously bogus fire safety certificates.

After the WRC continued to insist that the factory undergo a full fire safety inspection by a competent engineering firm, Suditi's owners suddenly announced that they were closing the facility and moving the factory to another state in India. Suditi claimed that the factory's closure was not related to the deficiencies the WRC had identified. Suditi gave the WRC documents that the factory management asserted showed that the facility's workforce had been dismissed, as a result of the factory's closure, and provided legally due terminal compensation.

For its part, the university licensee, Camp David, told the WRC that it had ceased using Suditi as a supplier and was no longer reporting the factory or its parent company, In Time Knits, to universities' licensing agents as a supplier of such goods. However, as of January 2, 2024, In Time Knits still appeared as a collegiate apparel supplier to Camp David in data the WRC received from university licensing agencies. Camp David informed the WRC that it was reviewing the factory supplier information that it provided to university licensing agencies to ensure that Suditi no longer appeared in this data.

Full Remediation of Wage Violations

With respect to addressing the most serious *other* violations of university codes of conduct and Indian labor laws at the factory—namely, the illegal off-payroll use of workers employed by unregistered labor contractors and the failure to pay legal minimum wages, overtime, and mandatory bonuses and retirement contributions to these workers—Suditi management's conduct was also dishonest and resistant to taking actual corrective action.

Suditi denied the WRC's findings regarding its use of unregistered subcontractors employing workers who do not appear on the factory's roster of personnel and were not paid the legal minimum wage, overtime pay, and other statutory benefits. However, the WRC subsequently resurveyed these workers and, moreover, recorded video footage of their entering the factory premises at the start of the workday and exiting at the workday's end, which further confirmed these workers' presence at the factory.

After Suditi closed the factory, the WRC continued to insist to both Suditi and Camp David that the workers who had been employed at the factory off-payroll by unregistered subcontractors must still be compensated for the factory's failure to pay them legal minimum wage, overtime pay, and other statutory benefits. Suditi then stopped disputing the existence of these workers, agreed to pay this

compensation to them, and presented the WRC with records that purported to show that these payments had been made.

The WRC determined, after recontacting these workers, that these records were also complete fabrications. The workers' testimony revealed that Suditi had only paid them nominal sums—amounting to less than five percent of the money the workers were owed as a result of the factory's failure to pay them according to the law.

Since Suditi's owners had demonstrated repeated bad faith in addressing the labor rights violations at the factory and clearly could not be trusted to remedy such violations, rather than just feign doing so, the WRC requested that, to achieve compliance with university codes of conduct, Camp David provide funds, itself, to compensate these former workers for the underpayment of legally required wages and benefits. Camp David, to its credit, agreed to provide these funds, whose transfer and distribution to the former workers the WRC coordinated and monitored.

In late 2023, all the former “off-rolls” Suditi contract workers who could be contacted received the funds Camp David had agreed to provide, which amounted to, on average, USD 1,455 per worker, more than nine months wages. Given that these payments have corrected the prior wage violations affecting these workers and that—although the factory, itself, failed to adequately address the fire safety hazards identified by the WRC—Camp David has committed to refrain from sourcing collegiate licensed apparel at the facility, the WRC concludes that noncompliance with university codes of conduct has been adequately addressed in this case by Camp David, as a licensee.

However, the WRC continues to recommend that, should Suditi seek to reopen this factory, no products should be manufactured there, whether for a university licensee or any other buyer, unless the facility has first been inspected by a competent engineering firm, and the findings of the inspection, with respect to the need for safety renovations, have been fully implemented. Moreover, considering the factory owners' record of repeated bad faith in dealing with assessments of its labor practices, generally, any future production at the factory should be given close ongoing scrutiny by independent outside monitors.

II. Methodology

The findings reached by the WRC in our assessment of Suditi were based on:

- Substantial, credible, and mutually corroborative testimony from workers who were employed at Suditi, including those working for labor contractors, gathered during repeated offsite interviews over an extended period of time;
- Visual observation of the facility, including the presence of employees working for unregistered labor contractors, and videotaping of the same;
- An onsite factory inspection and review of relevant factory records and documentation, including internal labor regulations, company policies, grievance handling procedures, Internal Complaints Committee records, and personnel files;
- A review of materials provided by Suditi in response to the WRC's findings and recommendations, including photographs of certain safety improvements at the factory, certificates of fire inspection provided by a local company contracted by Suditi, and records that Suditi presented as showing payments of wages, severance, and other benefits to workers.

The workers interviewed by the WRC had been employed at the factory for lengths of time that ranged from several months to over five years.

III. Findings, Recommendations, and Company Response

A. Illegal Use of Contract Workers

1. Findings

a. *Use of Unregistered Labor Contractors*

At the time of the WRC's inspection, Suditi directly employed 33 workers at the factory. Suditi's records showed that it also employed 30 more workers through three labor contractors named Aradhana Enterprises, Sasmita Enterprises, and Alam Enterprises.

While Suditi had a certificate of registration from the state labor department to engage these contractors, the WRC found that none of the labor contractors, themselves, had valid licenses to operate as labor contractors. In addition, as discussed below, the WRC found that Suditi secretly employed 12 more workers, through two other unregistered labor contractors, named Raj and Sagar, that did not appear anywhere in the company's records.

Indian labor law requires that all labor contractors be registered with government authorities and possess a valid license. Using unregistered labor contractors violates Indian labor law³ and, by extension, university codes of conduct.⁴ This is an especially consequential violation because, as discussed below, the use of unregistered labor contractors is associated with working conditions that violate other labor laws.

b. *Failure to Record Contract Workers in Company's Register of Workers*

As noted, the WRC interviewed 12 workers, who were employed at the factory by the labor contractors Raj and Sagar, who were not found in the factory's register of adult workers. These workers reported that they had been employed at the factory through different labor contractors for periods of time between three months and five years.

All these workers were absent from the roll of employees Suditi provided to the WRC when the WRC inspected the factory. All the contract workers whom the WRC met prior to visiting the factory also reported that the company management asked them to take leave and not come to the factory on the day of the WRC's visit.⁵

³ The Contract Labour (Amendment and Prohibition) Act, 1970 § 12. ("Licensing of contractors. - With effect from such date as the appropriate Government may, by notification in the Official Gazette, appoint, no contractor to whom this Act applies, shall undertake or execute any work through contract labour except under and in accordance with a license issued in that behalf by the licensing officer.")

⁴ CLC Special Agreement Regarding Labor Codes of Conduct - Labor Code Standards Schedule I § II.A. ("Legal Compliance: Licensees must comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the production or sale of Licensed Articles.")

⁵ A day prior to the factory visit, the WRC met with contract workers outside, after they had finished work. All the workers reported being told that the following day (May 6, 2022) would be a holiday for them. The workers were not provided with any reason for this surprise day of leave. The workers also informed the WRC that they would not be compensated for the leave thereby making them lose a day's wage.

The company's conduct indicates that it intentionally concealed their employment and conditions of work from the WRC. Employing workers who are not listed in the company's roll of workers is a violation of Indian labor law⁶ and, by extension, university codes of conduct.⁷

2. Factory Response

Suditi denied that the “off-rolls” contract workers were employed at the factory. Suditi told the WRC, “The information obtained by you is not in line with the actual fact. This is based on your interviews outside our premises with unknown persons whom we do not know.”

After receiving the response from Suditi indicated above, the WRC conducted further investigation of the factory's off-roll use of workers employed by unregistered labor contractors. The WRC surveyed these workers immediately after they left the Suditi factory premises after the end of their work shifts and reconfirmed the original findings that numerous workers from the finishing section, especially thread cutters, were employed through an unregistered labor contractor and were not among the employees listed on the factory's roll of employees.

The WRC then observed and video-recorded the same workers returning the following morning and entering the factory before the start of the morning shift at 9:00 a.m. The WRC informed Suditi and Camp David that it had further documented the factory's unlawful employment of these workers.

3. Current Status

After Suditi announced that it was closing the factory, the company acknowledged, in response to further engagement by the WRC with Suditi and Camp David, that the off-rolls workers had been employed at the factory by the unregistered labor contractors identified by the WRC. As discussed below, the WRC then pressed Suditi to compensate these former workers for all wages and benefits they were due under Indian labor laws.

Suditi then provided false information purporting to show that these employees had been paid this compensation (when they actually had not been). Therefore, the WRC recommended to Camp David, and Camp David agreed, to provide these funds directly for distribution by the WRC to the former workers. As detailed below, distribution of these funds was completed by the WRC in late December 2023.

⁶ The Factories Act, 1948 § 62. (“Register of adult workers. (1) The manager of every factory shall maintain a register of adult workers, to be available to the Inspector at all times during working hours, or when any work is being carried on in the factory, showing-- (a) the name of each adult worker in the factory; (b) the nature of his work; 43 (c) the group, if any, in which he is included; (d) where his group works on shifts, the relay to which he is allotted; (e) such other particulars as may be prescribed.”); The Contract Labour (Amendment and Prohibition) Act, 1970 §29 (“Registers and other records to be maintained.- (1) Every principal employer and every contractor shall maintain such registers and records giving such particulars of contract labour employed, the nature of work performed by the contract labour, the rates of wages paid to the contract labour and such other particulars in such form as may be prescribed.”)

⁷ CLC Special Agreement Regarding Labor Codes of Conduct.

B. Wage and Hour Violations

1. Findings

a. Nonpayment of Minimum Wage to Off-Rolls Contract Workers

Although Suditi's records showed that its employees were paid at rates equal to or above the legal minimum wage, those workers employed through labor contractors at Suditi who were interviewed by the WRC—and who, as noted above, were *not* listed on the factory's rolls—reported being paid wages ranging from 8,000 rupees (“Rs.”) to Rs. 12,000 per month.

These wages were significantly below the applicable minimum wage in the garment industry in the state of Maharashtra, which was Rs. 13,058 per month for unskilled workers.⁸ Suditi's nonpayment of minimum wages to these workers violated Indian labor law,⁹ international labor standards,¹⁰ and university codes of conduct.¹¹

b. Nonpayment of Overtime Premium

Workers at Suditi reported that their regular work schedule runs from 8:30 a.m. to 5:30 p.m., six days a week, with a 30-minute lunch and two 15-minute tea breaks daily, for a regular workday of eight compensable hours, with no overtime. Contract workers at the factory, however, reported that, until March 2022, they were required to perform at least one hour of overtime, in addition to their regular shift, each workday, for which they were only paid at their straight-time hourly rate.

Indian labor law requires that workers be paid a premium wage of double their regular hourly wage rate for all overtime work. Suditi's practice of paying contract workers at their straight-time hourly rate for these overtime hours violated Indian labor law¹² and university codes of conduct.¹³

⁸ Gazette notification of Government of Maharashtra RNI No. MAHBIL/2009/31747 dated February 21, 2022.

⁹ The Minimum Wages Act 1948 §12. “Payment of minimum rates of wages. (1) Where in respect of any scheduled employment a notification under section 5 [...] is in force, the employer shall pay to every employee engaged in a scheduled employment under him wages at a rate not less than the minimum rate of wages fixed by such notification for that class of employees in that employment without any deductions except as may be authorized within such time and subject to such conditions as may be prescribed.”

¹⁰ ILO Convention 131 - Minimum Wage Fixing Convention, 1970, Article 2 § 1. “Minimum wages shall have the force of law and shall not be subject to abatement, and failure to apply them shall make the person or persons concerned liable to appropriate penal or other sanctions.”

¹¹ CLC Special Agreement Regarding Labor Codes of Conduct - Labor Code Standards Schedule I §II.B.1. “Wages and Benefits: Licensees recognize that wages are essential to meeting employees’ basic needs. Licensees shall pay employees, as a floor, at least the minimum wage required by local law or the local prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.”

¹² The Factories Act, 1948 § 59. “Extra wages for overtime. (1) Where a worker works in a factory for more than nine hours in any day or for more than forty-eight hours in any week, he shall, in respect of overtime work, be entitled to wages at the rate of twice his ordinary rate of wages.”

¹³ CLC Special Agreement Regarding Labor Codes of Conduct - Labor Code Standards Schedule I § II. B.3. “Overtime Compensation: In addition to their compensation for regular hours of work, hourly and/or quota-based wage employees shall be compensated for overtime hours at such a premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.”

c. Nonpayment of Annual Bonus

Contract workers at Suditi also reported that they were not paid the statutory annual bonus. By law, workers in India must be paid an annual bonus of no less than 8.33 percent of their annual salary.

Contract workers at Suditi testified that during the Diwali festival, when bonuses were paid, they received only Rs. 500, which was far less than the amount legally required—which, for employees receiving the statutory minimum wage, was Rs. 13,058 for unskilled workers.¹⁴

Nonpayment of annual bonuses to contract workers violates Indian labor law¹⁵ and, by extension, university codes of conduct.¹⁶

2. Factory Response

In addition to, as noted, denying the existence of the off-rolls contract workers, Suditi also claimed that, with respect to those workers whose employment it did acknowledge, the company complied with minimum wage. Suditi told the WRC, “We beg to deny and disagree [with the WRC’s findings of underpayment] as we have always paid all dues above minimum wages including bonus.”

Following Suditi’s denial that it failed to pay legal minimum wages, overtime premiums, and statutory annual bonuses to contract workers, the WRC further investigated the issue. In late 2022, the WRC resurveyed contract workers from Suditi outside the factory gate as the workers were at the end of their shifts.

The contract workers reconfirmed that they were receiving wages of between Rs. 8,000 and Rs. 9,500 per month for working a full-time schedule (see below). These wage levels, as noted, were significantly below the applicable minimum wage, Rs. 13,058, in the garment industry in the state of Maharashtra.¹⁷ Therefore, the WRC affirmed the original findings that Suditi continues to violate Indian law with respect to payment of legal minimum wages.

Moreover, since the wage levels that the workers reconfirmed receiving were significantly below the applicable minimum for regular hours, it was clear that the factory still was not paying workers the legal premium rate when they worked overtime hours. Finally, these workers also reconfirmed that they had received no annual bonus or, if they received anything at all, only a nominal amount during their employment, thereby affirming the WRC’s findings.

¹⁴ Gazette notification of Government of Maharashtra RNI No. MAHBIL/2009/31747 dated February 21, 2022.

¹⁵ The Payment of Bonus Act, 1965 §10. “Payment of minimum bonus. Subject to the other provisions of this Act, every employer shall be bound to pay to every employee in respect of the accounting year commencing on any day in the year 1979 and in respect of every subsequent accounting year, a minimum bonus which shall be 8.33 per cent. of the salary or wage earned by the employee during the accounting year or one hundred rupees, whichever is higher, whether or not the employer has any allocable surplus in the accounting year.”

¹⁶ CLC Special Agreement Regarding Labor Codes of Conduct - Labor Code Standards Schedule I § II.A. “Legal Compliance: Licensees must comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the production or sale of Licensed Articles.”

¹⁷ Gazette notification of Government of Maharashtra RNI No. MAHBIL/2009/31747 dated February 21, 2022.

3. Current Status

After Suditi announced that it was closing the factory, the company acknowledged, in response to further engagement by the WRC with Suditi and Camp David, that the off-rolls workers had been employed at the factory by the unregistered labor contractors identified by the WRC. The WRC then pressed Suditi to compensate these former workers for all wages and benefits they were due under Indian labor laws, but that the factory had not paid, an amount which averaged, per worker, more than nine months' wages, roughly USD 1,455.

Suditi then provided false information purporting to show that these employees had been paid all this compensation, when in reality they had only been paid a small fraction of this amount (USD 60-100). Given the factory management's demonstrated propensity for falsehood, the WRC recommended that Camp David provide these funds directly for distribution by the WRC to the former workers. As detailed above, distribution of these funds to the workers was completed by the WRC in late December 2023, with each worker receiving, on average USD 1,455, the equivalent of more than nine months' wages.

C. Violations Related to Employment and Payroll Records

1. Non-issuance of Letters of Appointment

a. Findings

Indian law requires employers to provide industrial workers with formal notification of the terms of their employment. This is done through the issuance of letters of appointment at the time workers are hired.

Workers at Suditi, whether recruited directly by the company or through a labor contractor, reported that they were not issued appointment letters at the time they commenced work at the factory.

Workers who were directly recruited by Suditi reported that, at their time of hire, they were made to sign numerous sheets of paper which were not explained to them. These may have included appointment letters. Contract workers reported that they did not sign any papers at all. The WRC found that, consistent with the workers' testimonies, the personnel files of the directly hired workers did contain signed appointment letters. However, Indian law requires employers to provide copies of appointment letters to the workers, which the factory did not do. Suditi also failed to provide appointment letters to contract workers or even issue letters.

Failure to provide workers with letters of appointment specifying the terms and conditions of their employment violates Indian labor law¹⁸ and, by extension, university codes of conduct.¹⁹

¹⁸ The Industrial Employment (Standing Orders) Act, 1946, (requiring "employers in industrial establishments formally to define conditions of employment under them. . . and to make the said conditions known to workmen employed by them."); and Industrial Employment (Standing Orders) Central Rules, 1946 Notification No. L.R. 11 (37), Schedule I-B, Section 2 ("The employer shall in accordance with the terms and conditions stipulated in the letter of appointment, confirm the eligible workman and issue a letter of confirmation to him.")

¹⁹ CLC Special Agreement Regarding Labor Codes of Conduct.

b. Factory Response

In response to the WRC's finding that the factory failed to issue workers appointment letters, Suditi stated, "We will comply and provide you proof."

c. Current Status

Despite the factory's response, Suditi did not, prior to the factory's closure, furnish the WRC with any proof that workers had been issued appointment letters.

2. Non-issuance of Pay Slips

a. Findings

Workers at Suditi reported that they are not issued pay slips with their wages at the end of the month. The WRC did find that Suditi maintains pay slips, in the company's own files, for both workers recruited directly by the company and those recruited through labor contractors.

However, those contract workers interviewed by WRC who were not listed on the rolls of either the company or its contractors, reported that they were never issued pay slips. Suditi's failure to issue pay slips to worker violated Indian labor law,²⁰ international labor standards,²¹ and, by extension, university codes of conduct.²²

b. Factory Response

In response to the WRC's finding that the factory failed to issue workers pay statements, Suditi stated, "We will comply and provide you proof."

c. Current Status

Despite the factory's response, Suditi did not, before the factory's closure, furnish any proof to the WRC that workers were being issued pay statements.

²⁰ Payment of Wages Act, 1936 § 13A. "Maintenance of registers and records. (1) Every employer shall maintain such registers and records giving such particulars of persons employed by him, the work performed by them, the wages paid to them, the deductions made from their wages, the receipts given by them and such other particulars and in such form as may be prescribed."

²¹ ILO C095 on Protection of Wages Convention, 1949, Article 14. "Where necessary, effective measures shall be taken to ensure that workers are informed, in an appropriate and easily understandable manner (a) before they enter employment and when any changes take place, of the conditions in respect of wages under which they are employed; and (b) at the time of each payment of wages, of the particulars of their wages for the pay period concerned, in so far as such particulars may be subject to change."

²² CLC Special Agreement Regarding Labor Codes of Conduct.

D. Non-functional Worker Committees and Failure to Provide Training

1. Findings

The WRC found that Suditi maintained, on paper, various factory-level committees that were required by statute to be established but that these committees did not actually function. The supposed worker members of these committees were not aware that they had these positions, much less of their attendant roles and responsibilities. The factory also failed to provide related training to the workforce.

a. Failure to Maintain a Functioning Internal Complaints Committee and Provide Related Training

Under Indian law, employers must establish and maintain an internal committee to address complaints concerning gender-based violence and harassment (GBVH), train the members of this committee on their roles and responsibilities, and provide regular training to *all* employees on the issue of GBVH and the complaints process.

Suditi workers interviewed by the WRC were not aware of the factory having an Internal Complaints Committee. The workers who were listed in company documents as being members of this complaints committee, including the supposed “committee head”, were not aware of their roles and responsibilities. Moreover, the factory had not posted the names and photographs of the members of the complaints committee to enable workers to know with whom to submit complaints, which is a legal requirement.

While some workers reported having attended a training program on sexual harassment, most workers were not aware of the relevant policies against sexual harassment or the process to file a complaint to the committee in the event of such harassment, indicating that regular trainings either were not being provided to the workers or were inadequate.

Suditi’s omissions in this area violated Indian law on multiple counts. First, the Internal Complaints Committee members had not been properly trained.²³ Second, workers at Suditi had not been adequately informed about the sexual harassment prevention law and the existence of a complaint procedure.²⁴ Third, the names of the members of the Internal Complaints Committee were not conspicuously displayed in the factory as the law requires.²⁵

²³ The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 § 19. “Every employer shall (c) organise workshops and awareness programmes at regular intervals for sensitising the employees with the provisions of the Act and orientation programmes for the members of the Internal Committee in the manner as prescribed.”

²⁴ The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 § 19 (c).

²⁵ The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 § 19. “Every employer shall (b) display at any conspicuous place in the workplace, the penal consequences of sexual harassment, and the order constituting, the Internal Committee.”

b. Failure to Maintain a Functioning Safety Committee and Provide Training on Exiting Factory in an Emergency

Indian law requires factories engaged in potentially hazardous work to establish and maintain a safety committee. The law also requires factories to provide regular training to workers on how to exit the factory building safely in the event of a fire.

The WRC found no evidence that Suditi maintained a safety committee that held regular meetings. Workers also reported that, while they had received recent training on the use of fire extinguishers, they had not received recent or regular training on emergency egress. Suditi's failure to maintain a functional fire safety committee and its failure to train workers regularly on fire evacuation violated Indian labor laws.²⁶

c. Failure to Maintain a Functioning Grievance Committee

Workers at Suditi were not aware of the factory having a grievance committee. While the factory's human resources manager stated that the factory had a "welfare committee", company records indicated that this committee was formed in February 2022 shortly before the WRC's inspection. Moreover, these records showed that none of the members of this committee were production workers and that the committee was made up, instead, of administrative personnel, such as office employees. Suditi violated Indian law—and, by extension, university codes of conduct—by not having a properly constituted grievance committee.²⁷

2. Factory Response

Regarding the WRC's findings that the factory lacked a functioning Internal Complaints Committee, Suditi responded by stating, "We are starting training for [the] Internal Complaints committee." Suditi also informed the WRC that, "We are reconstituting the Grievance Committee to include workers particularly under Prevention of Sexual Harassment Act as well as other grievances."

Regarding the lack of a functioning fire safety committee or proper fire safety training, Suditi responded by stating, "We are again training all personnel for fire safety. We will reconstruct this committee as well."

²⁶ The Factories Act, 1948 § 38. Precautions in case of fire. "(2) Effective measures shall be taken to ensure that in every factory all the workers are familiar with the means of escape in case of fire and have been adequately trained in the routine to be followed in such cases;" and §4 1G. Workers' participation in safety management. "(1) The occupier shall, in every factory where a hazardous process takes place, or where hazardous substances are used or handled, set up a Safety Committee consisting of equal number of representatives of workers and management to promote co-operation between the workers and the management in maintaining proper safety and health at work and to review periodical the measures taken in that behalf."

²⁷ The Industrial Disputes Act, 1947, Chapter II B, §9C ("every industrial establishment in which fifty or more workmen are employed or have been employed on any day in the preceding twelve months, shall provide for, in accordance with the rules made in that behalf under this Act, a Grievance Settlement Authority for the settlement of industrial disputes connected with an individual workman employed in the establishment").

3. Current Status

Despite the factory's promises of corrective action, Suditi did not, before the factory's closure, provide any evidence that it had carried out any of the steps needed to properly reconstitute and train the required workplace committees.

E. Occupational Health and Safety

1. Hazardous Goods Lift/Hoist

a. Findings

The Suditi factory had a hoist (elevator) to carry goods and materials to the various floors of the factory building. The WRC found that the door of the hoist on the floor of the factory where the employees' canteen was located did not close and remained open, even when the hoist was in operation, posing a serious risk to employees.



Figure 1: Open door of the lift

The WRC also reviewed the fitness certificate for the hoist and found that an inspection on April 6, 2022, had pointed out the same safety hazard.

However, Suditi had not repaired the door to the hoist, exposing employees to continued risk and violating Indian labor law,²⁸ international standards,²⁹ and, by extension, university codes of conduct.³⁰

b. Factory Response

Suditi committed to put the hoist in safe working order and provided a certificate of an inspection conducted in June 2022 indicating that its door was now working properly.

²⁸ The Factories Act, 1948 § 28. Hoists and lifts. (1) In every factory (b) every hoistway and liftway shall be sufficiently protected by an enclosure fitted with gates, and the hoist or lift and every such enclosure shall be so constructed as to prevent any person or thing from being trapped between any part of the hoist or lift and any fixed structure or moving part.

²⁹ Occupational Safety and Health Recommendation, 1981. ILO R164 § IV. Action at the Level of the Undertaking. 10. "The obligations placed upon employers with a view to achieving the objective set forth in Article 16 of the Convention might include, as appropriate for different branches of economic activity and different types of work, the following: (a) to provide and maintain workplaces, machinery and equipment, and use work methods, which are as safe and without risk to health as is reasonably practicable."

³⁰ CLC Special Agreement Regarding Labor Codes of Conduct.

c. Current Status

The factory inspected by the WRC is reportedly no longer being used for apparel manufacturing.

2. Fire Safety Hazards

a. Lack of Proper Emergency Exits

i. Findings

The WRC found there were two exits from the factory's production area for workers to use to evacuate in the event of a fire. Both, however, were through stairwells that opened onto the interior of the ground floor, rather than leading to the outside. In the event of a fire on the ground floor, which housed the factory's generator, workers would have been unable to escape the factory through these exit stairwells.

Indian building codes mandate that all emergency exits should provide a continuous means of egress to the exterior of the building.³¹ International fire safety standards similarly require that factory buildings have fire escape routes that open directly to the outside of the building.³²



Figure 2: Path from stair opening to building exterior

Suditi's failure to provide exit routes from upper floors that lead directly to the exterior of the building violated these standards and, by extension, university codes of conduct. The wooden doors separating the factory's production floor from the exit stairwells were not made of fire-rated material, which posed a risk to employees in the event of a fire. Moreover, on the day of the WRC's visit to the factory, these doors were tied with rope in an open position.

International fire safety standards require that multi-story factory buildings have fire-rated doors separating production floors from stairwells and that these doors always remain closed, without any locking device.³³

This is necessary to prevent exit stairs from being obstructed by smoke, thereby preventing egress, and to prevent smoke from spreading between floors via the stairwells. India's national building code mandates separation of exit stairwells by requiring that each floor of a multistory structure have a "protected area of 120-minute fire resistance".³⁴

³¹ Indian National Building Code § 4 Art 4.2.10.

³² International Fire Code, § 1028.1 ("Exits shall discharge directly to the exterior of the building.")

³³ International Fire Code §§ 1009.6.4 (Separation), 1010.1.9 (Exit Doors)

³⁴ Indian National Building Code § 4 Art 2.4

ii. Factory Response

Suditi responded to the WRC's findings by indicating that it would keep the exit doors on each of the factory's floors closed at all times and provided photographic and video evidence of this, including of the operation of doors equipped with automatic closers. Suditi also stated that it would replace the existing doors with fire-rated doors.

In November 2022, Suditi provided photographs of new fire-rated doors that had been installed, along with documents concerning their specifications of the new fire-doors, indicating 120-minute fire resistance. Suditi also sent the WRC a one-page document titled "Fire Safety Audit Report" issued by the company, Kalpesh Fire Services, stating that "Fire Door[s] are installed [p]roperly".

With regard to the WRC's other findings about the adequacy of its exit routes and, in particular, the lack of routes from upper floors that lead directly to the exterior of the building, Suditi initially indicated "we are working on it". However, the one-page "Fire Safety Audit Report" from Kalpesh Fire Services, that Suditi provided in November 2022—which was, in its entirety, only two sentences long—made no mention at all of the adequacy of the exit routes.

iii. Current Status

The WRC recognized the improvements that Suditi and its inspection firm, Kalpesh Fire Services, indicated were made with respect to the operation and equipment of the factory's fire doors. However, the WRC remained concerned that no equivalent upgrade and verification was being made with respect to the adequacy of the exit routes, with respect to the lack of routes from upper floors that lead directly to the exterior of the building.

Given the total lack of any discussion, much less specific detail, concerning this issue in Suditi's "Fire Safety Audit Report" that it commissioned from Kalpesh Fire Services, and considering that the entire report was only one page, with only two sentences of text, the WRC determined and informed Suditi that it was necessary that the factory be inspected by an internationally recognized fire safety engineering firm, with clear experience in the identification and remediation of fire hazards in garment factories in accordance with both local and international standards.

Suditi informed the WRC that it was amenable to such an inspection, but, soon after, reportedly closed the factory. The location is reportedly no longer being used for apparel manufacturing.

b. Unsafe Materials Storage

i. Findings

The top floor of Suditi's factory housed both the employees' canteen and a storage area for fabrics and other materials. This storage area was not properly separated from the rest of the floor, as required under applicable fire safety standards. In addition, workers used the storage area to socialize during lunch. Materials in the storage area were stored haphazardly, without marked and unobstructed aiseways, posing risks to safe egress. These conditions violated applicable safety requirements.

The hazards discussed above constituted a failure by Suditi to protect worker safety as required by Indian law³⁵ and, by extension, university codes of conduct.³⁶



Figure 3: Unsafe materials storage

ii. *Factory Response*

Suditi indicated that it would organize its materials storage in a safe manner according to the WRC's recommendations. As noted, in November 2022, Suditi provided the WRC with a one-page, two-sentence document titled "Fire Safety Audit Report" issued by the company, Kalpesh Fire Services. This document stated, without further detail, "as per Safety Engineer inspection, all the storage material is safe".

iii. *Current Status*

Given the overall lack of detail in Suditi's "Fire Safety Audit Report", and the broader concerns stated above concerning the adequacy and veracity of the information it contained, the WRC found that it was necessary that the factory be inspected by an internationally recognized fire safety engineering firm, with clear experience in the identification and remediation of fire hazards in garment factories in accordance with international and local standards.

Suditi informed the WRC that it was amenable to such an inspection but, soon after, reportedly closed the factory. The location is reportedly no longer being used for apparel manufacturing.

³⁵ The Factories Act, 1948 § 38. "Precautions in case of fire. (1) In every factory, all practicable measures shall be taken to prevent outbreak of fire and its spread, both internally and externally, and to provide and maintain (a) safe means of escape for all persons in the event of a fire;" and The Factories Act, 1948, §7A. "General duties of the occupier. (1) Every occupier shall ensure, so far as is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory."

³⁶ CLC Special Agreement Regarding Labor Codes of Conduct.

3. Unergonomic Seating

a. Findings



Figure 4: Unergonomic seating

Production workers at Suditi sat on plastic stools with no backrest, seat padding, or height adjustability, among other deficiencies. For garment workers who spend most or all their production time in a seated position, ergonomic chairs are essential for avoiding long-term musculoskeletal injury.³⁷ While some Suditi workers had attached pieces of fabric to the seats of their stools with string to increase the height of their seats and/or make them less uncomfortable, this was not an adequate solution to the ergonomic risks.

The seating Suditi provided to workers did not meet ergonomic standards.³⁸ As a result, it violated the requirement under university codes of conduct that factories provide a safe working environment for employees.

b. Factory Response

In its response to the WRC's findings, Suditi stated, "We are short listing suppliers for chairs suitable as mentioned. We will implement at the earliest".

c. Current Status

Suditi did not provide any additional information, before the factory closed, to indicate when the existing ergonomically deficient seats would be replaced with proper ergonomic work chairs. In any case, the location is reportedly no longer being used for apparel manufacturing.

³⁷ E.g., A. Abate, "Ergonomic Evaluation of Workstation for Sewing Machine Operators", *Clinical Case Reports International* (2022), Vol. 6, Article 14371.

³⁸ The United States Department of Labor Occupational Safety & Health Administration (OSHA) has provided a description of appropriate seating garment workers. Their website also makes other recommendations on the proper ergonomic set up of a sewing machine worker's station, <https://www.osha.gov/SLTC/etools/sewing/sewingstationdesign.html>.

4. Broader Concerns Related to Fire, Electrical, and Structural Hazards

a. Findings

The Suditi factory was unsafe in numerous respects. In addition to the specific violations noted above, the WRC observed haphazard electrical wiring, flammable material hung from ceilings, large objects stored in exit stairwells, improperly stored chemicals, and numerous cracks in the building, including on structural pillars and lintel beams, among other apparent hazards.

b. Factory Response

In addition to the responses already outlined above, Suditi indicated that it was “appointing [a] credentialed structural engineer to do the audit”, of the factory’s structural safety. Suditi subsequently provided a letter from a civil and structural engineer which stated that he had, “examined the various parts including the foundations with special reference to the machinery[,] [p]lant, etc.’ that have been installed” and “that all the works of engineering construction in the premises [we]re structurally sound”.

c. Current Status

The location is reportedly no longer being used for apparel manufacturing.