



Freedom of Association Investigation at Rimaks Tekstil, a supplier of members of FWF, MODINT and BSCI

1. Introduction

A coalition of companies and organizations, including Fair Wear Foundation (FWF), the Dutch trade association MODINT and BSCI, conducted an investigation regarding freedom of association (FOA) at Rimaks Tekstil ("Rimaks"). This involved visits to Rimaks' Bartin and Tuzla factories during November 2010. The investigation was conducted by a local audit team. FLA's Participating Supplier Manager based in Turkey, Mrs. Benan Vey, assisted the coalition by setting up the assessment as well as through liaising with the parties involved in the conflict. Although FLA-affiliated companies do not currently source from the two Rimaks factories, FLA nevertheless engaged and provided crucial assistance in the process.

The main purpose of the assessment was to investigate allegations regarding violations of freedom of association in these two factories and to offer some solutions regarding these problems rather than conducting full-scale social compliance audits.

Negotiations between Rimaks' management and the trade union TEKSIF were ongoing during the days of the assessment with FLA's Participating Supplier Manager as an observer and mediator. Shortly after the assessment was completed, a collective bargaining agreement was concluded on December 2 2010 between the trade union and Rimaks' management.

In order to ensure that none of the employees and/or managers that currently work at Rimaks' factories in Bartin and Tuzla are jeopardized by the findings of this report, the names of individuals have been removed from the report.

2. Methodology

Since the objective of the assessment was to gain a better understanding of issues regarding freedom of association in the two factories, worker and management interviews were seen as the key elements for understanding the unionization efforts and the problems during this process in both of the factories. Field observations and document controls were also done for checking the overall working conditions and current systems in these factories.

2.1. Investigation Team

Alpay Celikel – Lead Auditor (FWF audit supervisor and accredited FLA lead auditor)

Safak Nazlican – Worker Interviewer

Sema Arslan – Worker Interviewer

Benan Vey – FLA Observer (participated only for Bartin Factory Assessment)

2.2. Previous Audits for Tuzla and Bartin Factories

According to provided information, the most recent audits for both of the factories were conducted by Brand A, but management representatives declared that they could not



share these reports with the investigation team due to confidentiality concerns. A BSCI audit report of the Bartin factory dated 25.09.2009 was available to the Investigation Team; according to this report, the factory was graded as “Good.” No audits had been conducted in the Tuzla factory yet (it’s been one year since Rimaks moved its operations from the European side of Istanbul to its current location on the Asian side of Istanbul).

3. Rimaks Bartin Factory Observations

The team visited the facility in Bartin on 22nd of November and was very quickly accepted into the premises. The factory manager, the technical manager and the HR & Accounting Department representative accompanied the team in the initial meeting and quick walkthrough after a short description of the purpose of the visit.

After the opening meeting, the team immediately started worker & managerial staff interviews that were seen as a key element for this assessment. Some documents review and visual observations were also done to provide a better understanding about the workplace.

Workforce distribution of the factory during the days of the assessment:

Total Number of Workers:	391		
Number of Male Workers:	259	Juvenile Workers:	NA
Number of Female Workers:	132	Disabled Workers:	12

Current Brands in Production:

Brand A 80%, Brand B + Brand C (members of MODINT) + Brand D + Brand E + Brand F (BSCI member) = 20%

List of Subcontractors:

Subcontractors declared by management:

- Subcontractor A / Sewing / Sultangazi – Istanbul
- Subcontractor B / Sewing / Bagcilar – Istanbul
- Subcontractor C / Sewing / Bartin

Subcontractors declared by the workers during the worker interviews:

- Subcontractor D / Ironing & Packing /Darica

WORKER & MANAGERS/MANAGERIAL STAFF INTERVIEWS:

All interviews conducted were onsite. Managerial staff (managers-supervisors and assistant supervisors) were also interviewed to understand their point of view and their knowledge about freedom of association. Worker interviews were conducted in the absence of any staff or management representatives, and after assuring the respondents total confidentiality of the views that they expressed.

An oral explanation was given to all interviewed workers. The contact information of the team leader (Alpay CELIKEL) was given to interviewed workers in case they needed further information about the assessment, or wished to report any complaint or grievance related to working conditions in the factory.



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Worker Interviews

Total Number of Workers Interviewed: 170

- 99% of the workers interviewed mentioned that they have been threatened by their managers, supervisors and assistant supervisors, exposed to psychological pressure, some shifted to another departments as a form of punishment, some forced to resign and some dismissed because of their unionization efforts in the factory.
- 100% of the workers interviewed mentioned that there is not an effective worker representation system.
- 50% of the workers interviewed mentioned that they have been forced -- and some even offered bribes -- by management to resign from TEKSIF and register with another labor union called Tum Tekstil Is.
- 100% of the workers interviewed mentioned that they have not been forced by anyone to register with TEKSIF and they joined TEKSIF of their own will.
- 70% of the workers interviewed mentioned that shuttle bus drivers are encouraging workers to resign from TEKSIF and some drivers even contacted their families to convince their elderly parents about their resignation.
- 100% of the workers interviewed mentioned that disciplinary penalties like written warnings are under sole control of managers & supervisors and there is no control mechanism over or means to appeal against them.
- 100% of the workers interviewed mentioned that overtime work was not voluntary and they had to stay to work overtime whenever it was asked until recently. Starting last month, management started to ask for their daily permission to work overtime and made available overtime work consent forms. Workers are now free to refuse overtime.
- 20% of the workers interviewed mentioned that there have been some difficulties about getting sick leave approvals because of interference by managers and supervisors with workplace doctor's decisions (when there was a workplace doctor in the factory).
- 40% of the workers interviewed mentioned that hourly production quotas are not properly calculated and lead to higher target production quantities.
- 60% of the workers interviewed mentioned that they do not believe that their personal protective equipment is appropriate for the working conditions and there is not an effective H&S system in place for selection & replacement of personal protective equipment.
- 100% of the workers interviewed mentioned that they have been asked to sign a form during the recruitment procedure that is normally signed after resignation or dismissal that confirms that all legally mandated payments have been done by management. Workers also declared that they overheard that management has destroyed these forms after they started unionization efforts.
- 60% of the reinstated workers interviewed mentioned that they faced some difficulties when they started to work in the factory again, such as being shifted from their departments/positions or being given additional tasks. Also some unfair disciplinary penalties were applied such as written warnings without proper investigation.



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Managers/Managerial Staff Interviews

Total Number of Managers/Managerial Staff Interviewed: 15

- 80% of the managerial staff interviewed mentioned that they are respectful of freedom of association and collective bargaining rights of the workers.
- 10% of the managerial staff declared that there is no need for a union in the factory because working conditions are above the industry standards in this region.
- 70% of the managerial staff mentioned that some workers reported that they have been forced to register with the TEKSIF union instead of doing it out of their own free will.
- 30% of the managerial staff declared that there were some problems about reinstated workers because of their attitude and the sensitive situation led them to misunderstand the some incidents.
- 10% of the managerial staff mentioned that top management decided to downsize the workforce long before the unionization efforts due to reduction in orders and decreasing profitability.
- 80% of the managerial staff interviewed mentioned that they are happy about the ongoing negotiations between the labor union and management and hoped that there will be an agreement soon in order to end uncertainty at the work environment.
- 20% of the managerial staff interviewed mentioned that they have received threatening phone calls, text messages and even some legal complaints filed against them during the unionization process.

DOCUMENTS CHECK & VISUAL OBSERVATIONS:

- Workplace doctor left about two months ago and has not been replaced; therefore there is no workplace doctor available in factory.
- Legally required H&S specialist is missing.
- Emergency evacuation drill is outdated.
- Working hours and conditions of pregnant and lactating workers should be improved in accordance with applicable regulations.
- H&S committee is not working in accordance with applicable regulations.
- Fire alarm panel was inactive.
- Several daily, weekly and yearly OT limits exceeded in 2010.
- Time records were manipulated to conceal cases of excessive daily OT work.
- Some articles in employment contracts are against the labor law and workplace standards of brands whose production is being carried out and need to be changed. (E.g., Article 3.1 briefly says that the employer can change the position and job description of the employee anytime; Article 8.2 briefly says employee should stay and work OT whenever asked; Article 8.3 briefly says worker should stay and OT on official & religious holidays as well as weekends whenever asked.)
- Problems regarding chemical and waste management (no secondary containment for the chemicals; wastewater treatment sludge kept in open area; environmental specialist is missing; waste management plan is not complete and not approved by local authorities.)



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- Risk assessment study should be revised to identify all health and safety issues within the workplace.
- Emergency response plans should be revised to cover all different emergency response scenarios.
- Emergency assembly area should be marked.
- It was observed that personal protective equipment in use were not selected by workplace doctor or H&S specialist.
- There is non-progressive disciplinary system in place and all disciplinary actions are under sole control of managers & supervisors and there is no control mechanism over or means to appeal over disciplinary actions.
- Annual leave committee is not working in accordance with applicable regulation.
- There is no effective worker representation system with elected worker representatives in disciplinary committee, H&S committee and annual leave committee. (Some worker representatives are also supervisors; problems were observed on election process such as candidate declarations and vote counting.)
- Some warning signs are missing or are not in compliance with applicable regulation.
- Periodic maintenance control reports, accident insurance policies of some shuttle buses and SRC certificates of some shuttle bus drivers are missing.
- Periodic health checks of some workers were outdated.
- Some electrical joints and extension cords are not in good condition; also some electrical panels need to be maintained.
- There is not an active grievance system in place.
- Some punch button, riveting and sewing machines are missing machinery protectors.
- Ventilation in spraying section needs to be improved.
- Health and safety trainings (including legal rights & responsibilities trainings) are not in line with applicable regulation.

4. Rimaks Tuzla Observations

The team has reached the facility in Tuzla on 24th of November and was very quickly accepted into the premises. The HR Manager and the HR responsible accompanied the team in the initial meeting and quick walkthrough after a short description of the visit.

After the opening meeting, the team immediately started worker & managerial staff interviews seen as a key element of this assessment. Some documents check and visual observations were also done for providing a better understanding about the workplace.

Workforce distribution of the factory during the day of the assessment:

Total Number of Workers:	234		
Number of Male Workers:	151	Juvenile Workers:	NA
Number of Female Workers:	83	Disabled Workers:	4



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Current Brands in Production:

Brand A 80%, Brand B + Brand C+ Brand D + Brand E + Brand F = 20%

List of Subcontractors:

Subcontractors declared by management:

- Subcontractor A / Sewing / Sultangazi – Istanbul
- Subcontractor B/ Sewing / Bagcilar – Istanbul
- Subcontractor C/ Sewing / Bartin

Subcontractors declared by the workers during the worker interviews:

- Subcontractor D / Ironing & Packing /Darica
- Subcontractor E / Ironing & Packing / ?

Worker Interviews

Total Number of Workers Interviewed: 100

- 50% of the workers interviewed mentioned that they have been threatened by their managers, supervisors and assistant supervisors, exposed to psychological pressure, some shifted to some other departments as a form of punishment, some were forced to resign and some dismissed because of their unionization efforts in the factory.
- 20% of the workers interviewed mentioned that they do not want to comment on unionization and freedom of association because of hesitation about confidentiality of the information conveyed.
- 100% of the workers interviewed mentioned that there are no elected worker representatives or active representation system within the workplace.
- 40% of the workers interviewed mentioned that they could not use their paid annual leave in full.
- 50% of the workers interviewed mentioned that some managerial staff are trying to provoke conflict between the non-unionized workers and the unionized workers by telling the workers that the factory is going to be closed because of the union.
- 30% of the workers interviewed mentioned that company uses on-call workers in case of over-capacity production in the ironing & packing section.
- 100% of the workers interviewed mentioned that management called all workers to a meeting to describe the disciplinary procedure a day before the audit.
- 100% of the workers interviewed mentioned that overtime work is not on a voluntary basis and they have to stay overtime whenever management asked (overtime for all). They also complained about the late announcement of the overtime (just 30 minutes before the end of the working hours) that makes it impossible to manage their social life.
- 50% of the workers interviewed mentioned that psychological pressure over the non-unionized workers is much higher than over the unionized workers because management does not more workers to join the labor union to keep the unionized workers percentage below 50%. (Recall that 50% is the threshold for blocking the collective bargaining right of the union)



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- 80% of the reinstated workers interviewed mentioned that they have not faced any difficulties when they resumed work in the factory.
- 40% of the workers interviewed mentioned that they do not believe that their personal protective equipment is appropriate for their working conditions and there is not an effective H&S system in place for selection & replacement of personal protective equipments.

Managers/Managerial Staff Interviews

Total Number of Managers/Managerial Staff Interviewed: 16

- 80% of the managerial staff interviewed mentioned that they are respectful of freedom of association and collective bargaining rights of workers.
- 10% of the managerial staff interviewed stated that there is no need for a union at Tuzla because working conditions in this factory are above the industry standards.
- 70% of the managerial staff interviewed mentioned that some workers reported that they have been forced to register the TEKSIF union rather than doing it out of their own free will.
- 10% of the managerial staff mentioned that top management decided to downsize the workforce long before than unionization efforts began due to reduction in orders and decreasing profitability.
- 80% of the managerial staff interviewed mentioned that they are happy about the ongoing negotiations between labor union and management and hope that there will be an agreement between the union and management soon to end the uncertainty in working environment.

DOCUMENTS CHECK & VISUAL OBSERVATIONS:

- Working license of the factory is missing.
- Work permit of the factory is missing.
- Number of disabled workers is less than the legal limit.
- There are 43 workers who were not able to use their paid annual leave from previous years.
- Workplace doctor left about a month ago and has not been replaced; therefore there is no workplace doctor available in the factory.
- Legally required H&S specialist is missing.
- Emergency evacuation drill is outdated.
- Working hours and conditions of pregnant and lactating workers should be improved in accordance with applicable regulations.
- H&S committee is not working in accordance with applicable regulation.
- Several daily, weekly and yearly OT limits were exceeded in 2010.
- Some workers have worked without seventh day rest in June, July, September and October 2010.
- Some articles in employment contracts are against the labor law and workplace standards of brands whose production is being carried out and need to be changed. (E.g., Article 3.1 briefly says that the employer can change the position and job description of the employee anytime; Article 8.2 briefly says employee should stay



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and work OT whenever asked; Article 8.3 briefly says worker should stay and OT on official & religious holidays as well as weekends whenever asked.)

- Problems regarding chemical and waste management (no secondary containment for the chemicals, waste management plan is not complete and not approved by local authorities)
- Risk assessment study should be revised to identify all health and safety issues within the workplace.
- Emergency response plans should be revised to cover all different emergency response scenarios.
- Workplace doctor or H&S specialist did not select the personal protective equipments in use.
- There is no progressive disciplinary system in place and all disciplinary actions are under sole control of managers & supervisors; there is no control mechanism over or means to appeal over disciplinary actions.
- Annual leave committee is not working in accordance with applicable regulations.
- There is no effective worker representation system with elected worker representatives in the disciplinary committee, H&S committee and annual leave committee.
- Some warning signs are missing or are not in compliance with applicable regulations.
- Periodical maintenance control reports, accident insurance policies of some shuttle buses and SRC certificates of some shuttle bus drivers are missing.
- There is no active grievance system in place.
- Ventilation in spraying section needs to be improved.
- Health and safety trainings (including legal rights & responsibilities trainings) are not in line with applicable regulations.
- Issues pending resolution observed on periodic control reports of lifting equipments and pressure vessels.

5. Conclusions and Recommendations

Conclusion 1

Some managers, supervisors and assistant supervisors have tried to interfere with the unionization process in both of the factories in different ways such as by threats, psychological pressure, changing tasks & workstations. Also some of the workers were dismissed because of their union membership and others because they participated in the work stoppage in August 2010 to protest the dismissals that had taken place. Forty eight of these dismissed workers were reinstated after the signing of a protocol between Rimaks' management and TEKSIF in October 2010. Despite the fact that an agreement was signed between Rimaks and TEKSIF on the 2nd of December, the Investigation Team wishes to draw attention to the below mentioned recommendations to prevent any possible dispute in the near future.

Recommendation 1

A training session should be given to managers and managerial staff to provide a better



understanding of freedom of association, labor unions and collective bargaining topics. Most of the managerial staff does not know about these topics and some of them still take an ideological perspective considering union members as “communists,” which was a general view of unions in this country during cold war years.

Recommendation 2

A training session should be given to the workers to improve their overall knowledge & understanding about freedom of association, collective bargaining and labor unions. During the worker interviews it was also observed that some workers have many questions about their legal rights and responsibilities with respect to these topics.

Recommendation 3

An independent social compliance department should be created at Rimaks to address workplace conditions in both of the factories. Since there is no internal capacity for this right now, some staff should be selected and trained on Labor Law, H&S regulations and Environmental Law as well as basic social compliance practices.

Recommendation 4

Worker representation on the Annual Leave Committee, Disciplinary Committee and Health & Safety Committee should be provided and supported by the factory. Worker representatives should be selected through a fair and transparent process without any employer interference. After their selection, worker representatives should receive General Communication Skills training.

Recommendation 5

First tier managerial staff (supervisors and assistant supervisors) should be trained on the following topics to improve their overall management capabilities: Problem Solving Techniques, General Communication Skills, Empathy and Emotion Management and Leadership Skills.

Recommendation 6

Rimaks should improve its workplace standards to be in accord with relevant ILO conventions and code of conduct of the brands in production. The standards should be printed on company letterhead and posted in prominent locations in the two factories as well as in the facilities of subcontractors to assure that all workers in the supply chain will be aware about the standards. Workers should be periodically reminded of the contents of the code through periodic trainings.

Recommendation 7

An active and secure grievance system should be implemented with participation of elected worker representatives for handling the complaints raised by the workers with confidentiality.

Conclusion 2

The assessment team was able to check management’s claim regarding downsizing of the workforce due to reduction in orders with the information provided by Rimaks’ management.

Total Production Figures for Rimaks’ Bartin Factory

2009 January	→ 140,918 pieces	2010 January	→ 102,109 pieces
2009 February	→ 80,045 pieces	2010 February	→ 121,996 pieces
2009 March	→ 136,663 pieces	2010 March	→ 89,671 pieces
2009 April	→ 107,614 pieces	2010 April	→ 134,546 pieces
2009 May	→ 107,475 pieces	2010 May	→ 127,856 pieces
2009 June	→ 143,790 pieces	2010 June	→ 125,445 pieces



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2009 July	→ 69,056 pieces	2010 July	→ 110,535 pieces
2009 August	→ 127,615 pieces	2010 August	→ 92,232 pieces
2009 September	→ 87,642 pieces	2010 September	→ 106,281 pieces
2009 October	→ 116,630 pieces	2010 October	→ 87,114 pieces

2009 TOTAL (first 10 months) = 1,117,448 pieces

2010 TOTAL (first 10 months) = 1,097,785 pieces

DIFFERENCE: - 19,663 pieces

There was a reduction in orders between 2009 and 2010 figures of 19,663 pieces or 1.75%. Meanwhile, the total number of workers in October 2009 was 532 and 402 in October 2010, or a 24.4% decrease. Thus, while the decrease in orders was around 1.75 %, the decrease in workforce was 24.4%, making it hard explain the argument that the downsizing the workforce was based on reductions in orders.

Total Shipment Figures for Rimaks

The only data available referred to shipments for 2009 and 2010. The figures were:

2009 TOTAL Shipments (Jan-Oct)	= 2,410,875 pieces
2010 TOTAL Shipments (Jan-Oct)	= 2,268,128 pieces
DIFFERENCE (2010-2009)	= 142,747 pieces or 6%

A similar output in here, considering there is a reduction in workforce around more than half in last 12 months period in Istanbul factory; this clearly describes that Rimaks' management wants to carry its production operations (some already carried/ such as sewing there are no in-house sewing operations in Rimaks anymore) to its subcontractors rather than making in-house production anymore.

Recommendation 8

Rimaks' management should make a strategic plan regarding the company's downsizing operations and communicate it to workers and the labor union to prevent disagreements and problems in near future. A retrenchment procedure should be prepared with cooperation with labor union to avoid problems in downsizing operation.

Conclusion 3

Low productivity level of in-house production operations is one of the issues most frequently complained about by management, along with low unit prices. During the days of the assessment it was observed that for managers, the "productivity" concept is limited with production figures. It is recommended that the productivity concept be broadened also to include:

- Energy efficiency
- Procurement performance
- Quality levels (seconds and raw material)
- Maintenance performance
- Lay-out problems
- Lack of training
- Risk analysis
- Internal audits
- HR policies
- Government incentives



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As an example it was observed that the Bartin factory was severely affected by a flood last year (approximate damage was around 6 million TL = 4 million USD) and the company has not been paid by for this damage by the insurance company because of the some terms in the insurance policy. Meanwhile, management representatives mentioned that the company had a net loss of 2 million TL last year and it will be hard for them to negotiate over wages and benefits with the union as part of the collective bargaining agreement. If the company had been paid for the flood damage at the Bartin factory, the yearend figures would have been around 4 million TL profit instead of loss.

Recommendation 9

The company should engage consultancy services on productivity management to establish a healthier productivity management system (lean management, TPM, 5S and similar systems are recommended).

Recommendation 10

Appropriate Disciplinary Policy with procedure, implementation through planning & training, internal monitoring, top management review and continuous improvement is recommended to improve the worker-management relationship. Integration of labor compliance into management systems of all employment functions is highly recommended.