



April 21, 2022

Asia Floor Wage Alliance ([AFWA](#)) and Global Labor Justice - International Labor Rights Forum ([GLJ-ILRF](#)) hope that Brandix Lanka will follow the recommendations made in our recent April 2022 report, *[Voices from the Field: Reprisals and Repression of Garment Worker Unions and Workers Organizations During COVID-19 in Sri Lanka](#)*, including to respect freedom of association and engage in dialogue with women-led trade unions.

Brandix Lanka's recent response to our report, available [here](#), has several inaccuracies that we welcome the opportunity to correct below.

1. Brandix states the report contains an “untrue and unfounded allegation that Brandix Lanka violated Covid-19 protocols at their Minuwangoda plant in October 2020 ... there is clearly no basis for the allegations made in the report” (Response para. 3).

Pages 10-11 of the report cite to both a public newspaper report on the concert at Brandix Minuwangoda as well as to our interviews with workers at Brandix Minuwangoda, both of which independently corroborated the fact of the concert at Brandix Minuwangoda on September 25, 2020. Page 11 cites the Sri Lanka Ministry of Health COVID-19 guidelines applicable at the time, which recommended any workplace require social distancing at all times and “restrict large gatherings. Avoid in-person meetings as much as possible.”

2. Brandix states “the Attorney General’s office announced that its investigation **found no evidence** that Brandix had in any way contributed to the spread of infection” (emphasis original) (Response para. 3).

On July 6, 2021, in the criminal investigation against Brandix, the Commercial Crime Investigation Unit of the Sri Lanka Criminal Investigation Department reported to the Minuwangoda Magistrate Attorney General that there would not be criminal charges against Brandix. Newspaper reporting of the court proceeding [reported](#) in the Daily Mirror (Sri Lanka) states “no evidence was available to file criminal charges against any party regarding the incident and that it was not required to proceed with further investigations.”

The AG did not, as Brandix writes, find “no evidence that Brandix had in any way contributed to the spread of infection.” The AG did not find evidence sufficient for a criminal charge against Brandix. As noted above, there is documented public evidence as revealed in the report that Brandix held a concert in violation of COVID-19 guidelines roughly a week before the first case in the COVID-19 outbreak was detected at Brandix.

3. Brandix states, “The outcome of the labor assessment has been disclosed on IFC’s disclosure portal. For your reference, IFC’s assessment states: “While there is no recognized external trade union in the company, the company’s policy on freedom of association enables the employees to join an external union, should they wish to” (Response para. 6).

In August 2021, IFC signed a \$50 million loan to Brandix. In light of dialogue with Sri Lankan trade unions and workers’ organizations as well as global allies, IFC commissioned a third party to conduct an assessment of Brandix Lanka compliance with IFC labor standards, known as IFC Performance Standard 2. The third party assessment has not been made public. Prior to the assessment, IFC made the statement regarding Brandix policy from which Brandix quotes.

However, in response to the assessment — which as noted included interviews with GLJ-ILRF, as well as unions and workers’ rights organizations that this report also interviewed — IFC updated its public disclosure document “to include the recommendations for improvement” at Brandix Lanka “in the form of a corrective action plan developed in Feb 2022 as an outcome of the labor assessment,” according to IFC’s public Environmental and Social Review Summary (ESRS), available [here](#).

The Corrective Action Plan issued to Brandix Lanka, available on the IFC’s public Environmental and Social Review Summary (ESRS) website [here](#), requires as a condition of IFC financing that Brandix Lanka make several significant policy changes related to COVID-19 management and freedom of association, in light of the labor assessment findings. These include a grievance mechanism for third parties including unions, protocol for unions to access Brandix worksites, and written non-retaliation policy. The latest deadline included in the IFC Correction Action Plan is April 30, 2022.

4. Brandix states the report makes “unfounded accusations of intimidation and reprisals against the unions representing workers’ claims” (Response para. 4) and claims “Brandix escalated reprisals by the government and military” (Response para. 5).

Pages 12-14 of the report include evidence of intimidation and reprisals against the unions and workers’ organizations both by Brandix, and by the Sri Lankan government. The report does not allege Brandix caused the incidents of Sri Lankan government reprisals and repression. However, as documented in the report, Brandix currently hires at least one retired military official in a senior role at Brandix; Brandix does not in its response deny employing this retired military official.

The unions and workers' organizations interviewed for the report stand by their allegations regarding Brandix and the Sri Lankan government's reprisals and retaliation as documented in the report.

5. Brandix states that the report is written "without offering any credible evidence beyond alleged statements made by a few workers who are apparently unidentified for confidentiality reasons" (Response para. 8) ... "whom the authors claim are from Brandix plants" (Response para. 7).

Page 3 of the report states the report is based on fact finding both with 15 workers at three Brandix Lanka factories, as well as interviews with unions and workers' organizations with members at Brandix; as reflected throughout the citations in the report, this testimony is also in several cases supported by primary documentary evidence (such as a TV clip in which intimidation occurred) and secondary news reports in Sri Lankan and global media outlets about facts workers and unions described.

Confidentiality of the names of workers who speak out in a public report is common practice and critical to protect such workers from retaliation, especially in a context of reprisals and repression.

6. Brandix states, "the report sullies a reputation for ethical behaviour, created and nurtured over the years by Brandix" (Response para. 8).

While Brandix conduct documented in the report is concerning, Brandix can and should follow the report recommendations to respect its workers' rights to freedom of association consistent with international standards. This includes complying with the IFC Corrective Action Plan mentioned above and engaging in dialogue with unions and workers' organizations including those with members at Brandix.