UNITED COLORS OF BENETTON.

13/09/2024

Benetton Group is currently working with the supplier Guohua Glory Company Limited (FORTUNE). According to the last verification carried out on the supplier (based on Higg FSLM and verified by a third party – July 2024) no issue regarding unjust termination was detected. Benetton Group has promptly collected information from the supplier to investigate the allegation reported.

Firstly, the factory has handled the Media Allegation due to the unfair termination of a security worker. The worker is currently working in the factory with his own position. No discrimination has been performed on the worker. Currently, the termination process is under control of the Supplier and factory COC team.

Regarding the unfair termination,

1. The factory has rehired the security worker under the guidance of the supplier and COC team. No discrimination was happened to the security worker and currently he is working in his own position. The worker representative was also involved when the agreement was signed.

The factory and the worker got agreement on the (5) conditions-

a) Rehire the worker with his own position and salary.
b) Contract the EC with the actual joined date (9-May-2022).
c) Compensate the overtime charges of (2) years.
d) Compensation for the Earned Leave Encashment.
e) No discrimination against workers in the workplace.

2. The factory also made the Employment contract with the worker and counted his Joined Date from the actual Joined Date (9-May-2022).

3. The factory has also compensated for the (2) year overtime charges with the premium rate and also calculated the Earned Leave Entitlement and Seniority Bonus (Yearly Bonus). And the Worker Representative is also involved in the Agreement and Compensation. (Total - 3,000,000 MMK).

In order to prevent the future cases,

1. The factory has established the Risk Assessment on the Termination and endorsed by the top management.
2. The factory has already implemented a Termination Policy which is also endorsed by the top management and also trained by the Human Resource Manager and other management personnel in order to prevent unfair termination cases in future.
3. Besides, the COC team is closely monitoring the Employment Practices of Guohua Glory Company Limited to check if the employment contract has been working in the proper way.

As per factory statement, after implementing the prevention measures, the factory has had no unfair termination till now and the Security worker is also working well. Hence, the issue has been handled in a proper way.