

Fair Labor Association: Independent External Factory Assessment

Assessment Date :

08 Jul 2021



Factory Information

FLA Affiliates	Puma SE
Country	India
Number of Workers	54

Understanding this Report

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

FLA Code Element

Number of Violations

Compensation (C)	10
Employment Relationship (ER)	18
Freedom Of Association And Collective Bargaining (FOA)	3
Harassment Or Abuse (H/A)	2
Health, Safety And Environment (HSE)	16
Hours Of Work (HOW)	4

Assessment Information

Assessor	Insync
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Assessment Date	08 Jul 2021
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Assessment Purpose	Factory Assessment (In-Person)
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ASSESSMENT RESULTS

Compensation (C)

Benchmark ID	C.25.2.1
Benchmark Details	Advances must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (e.g. signature, thumbprint).
Finding Details	Written documentation is not maintained for requesting wage advances. Workers inform supervisors who prepare a list of workers and amounts requested by each worker. This list is shared with the HR Manager who then instructs the accounts team to pay advances as requested. Workers do not sign any document to acknowledge receipt of advance. Deduction of advances from wages is deducted on mutually agreed timelines between worker and HR Team.
Recommendation for Immediate Action	Factory needs to maintain a record of loans and advances, as legally required.
Compliance Classifications	Immediate Action Required
Local Law	Minimum Wages Act 1936 - Record of advances is to be maintained by every employer.
Benchmark ID	C.25.2
Benchmark Details	Advances shall only be made following clearly established rules which have been communicated to workers.
Finding Details	Communication on advances are verbal and no formal system is established.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	C.12.1
Benchmark Details	All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc.
Finding Details	The contributions deducted from employees' wages each month and the employer's contribution towards legally mandated benefits of Social Security (Provident Fund) and Employees State Insurance were deposited beyond legally defined timelines. For example, contributions for December 2020 and January 2021 were delayed by 81 days, contributions from April 2021 was delayed by 75 days, and contributions from May 2021 was delayed by 10 days.
Recommendation for Immediate Action	Contributions deducted from wages of workers and employer's contribution towards legally mandated benefits should be deposited with the concerned government authorities within legally defined timelines.
Compliance Classifications	Immediate Action Required
Local Law	Employees Provident Fund Scheme 1952- Rule 38-Mode of payment of contributions- The employer shall, before paying the member his wages in respect of any period or part of period for which contributions are payable, deduct the employee's contribution from his wages which together with his own contribution as well as an administrative charge of such percentage of the pay (basic wages, dearness allowance, retaining allowance, if any, and cash value of food concessions admissible thereon) for the time being payable to the employees other than excluded employee and in respect of which provident fund contribution payable, as the Central Government may fix. He shall within fifteen days of the close of every month pay the same to the fund by separate bank drafts or cheque on account of contributions and administrative charge

Benchmark ID	C.9.3
Benchmark Details	Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country
Finding Details	According to workers, they are compensated inconsistently for overtime hours worked. Management stated overtime hours are compensated at double the wage rate, as legally required, and as reflected in pay rolls, however, interviewed workers stated that overtime is compensated at single time the wage rate.
Recommendation for Immediate Action	Compensate workers at twice the wage rate for overtime hours worked, as legally required.
Compliance Classifications	Uncorroborated Risk of Non-Compliance
Local Law	Factories Act, 1948- Section 59 (1)-Where a worker works in a factory for more than nine hours in any day or for more than 48 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.
Benchmark ID	C.22
Benchmark Details	Employers must establish a system through which workers can dispute compensation and receive clarifications in this respect in a timely manner.
Finding Details	The factory does not have procedures for workers to submit grievances or questions about wage payments and benefits. Grievances are currently reported verbally and are addressed.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required

Local Law	Industrial Disputes Act 1947- Section 9 C (1)-Setting up of Grievance Redressal Machinery: Every industrial establishment employing twenty or more workmen shall have one or more Grievance Redressal Committee for the resolution of disputes arising out of individual grievances.
Benchmark ID	C.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.
Finding Details	For workers who leave employment, wages for days worked prior to leaving employment is calculated by dividing monthly wage by number of days in the month multiplied by days worked. With this practice the day wage would fluctuate. E.g day wage in February would be higher than day wage in May . Legally, monthly wage is required to be divided by 26 days for each month to arrive at a day's wage.
Recommendation for Immediate Action	Wage rate per day should be calculated by dividing monthly wage by 26 days for all months.
Compliance Classifications	Immediate Action Required
Local Law	Minimum wage notification of Uttar Pradesh Government. Monthly wage and daily wage notified is arrived at by dividing monthly wage by 26 days.
Benchmark ID	C.19.1
Benchmark Details	Employers shall make every reasonable effort to ensure workers understand their compensation, including: the calculation of wages, incentives systems, benefits, and bonuses they are entitled to at the workplace and under applicable laws.
Finding Details	Workers are not well aware of fringe benefits and calculations. Training is not conducted to create awareness.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	C.18.1
Benchmark Details	Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.
Finding Details	There is inconsistency noted in compensation for overtime hours worked. Management stated overtime hours are compensated at double the wage rate as legally required and as reflected in pay rolls, however, workers interviewed stated that overtime is compensated at single times the wage rate.
Recommendation for Immediate Action	Wage records should reflect actual compensation paid.
Compliance Classifications	Immediate Action Required
Local Law	Factories Act, 1948- Section 59 (1)-Where a worker works in a factory for more than nine hours in any day or for more than 48 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.
Benchmark ID	C.21.1
Benchmark Details	Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.
Finding Details	Wages of workers for days worked prior to leaving employment is transferred to the bank account of workers in the month following the month when employment is terminated, irrespective of the date of termination of employment. Wages are legally required to be paid within 48 hours from termination of employment.

Recommendation for Immediate Action	Wages for days worked prior to leaving employment should be transferred to bank accounts of workers within the second working day of leaving employment, as legally required.
Compliance Classifications	Immediate Action Required
Local Law	Item 13(3) of Schedule 1 appended to Industrial Employment (Standing Orders) Rules 1946 -Where the employment of any workmen is terminated, the wages earned by him and other dues, if any, shall be paid before the expiry of the second working day from the day on which his employment is terminated.
Benchmark ID	C.3.1.3
Benchmark Details	Where probationary employment is legally allowed, no workers shall work more than three months in this employment category.
Finding Details	Probation period is for 6 months and can be extended by an additional 2 months as defined in clause 1 of the appointment letter signed by workers. Legally, the probation period cannot exceed 3 months.
Recommendation for Immediate Action	Reduce the probation period to not exceed 3 months.
Compliance Classifications	Immediate Action Required
Local Law	Industrial employment (standing orders) rules 1946- Rule 2(C) of schedule 1 - A "probationer" is a workman who is provisionally employed to fill a permanent vacancy in a post and has not completed three months' service therein.

Employment Relationship (ER)

Benchmark ID	ER.17.5
Benchmark Details	Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.

Finding Details	Grievances reported are not logged, therefore actions taken could not be verified.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.2
Benchmark Details	Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.
Finding Details	Workers' signatures were obtained for attendance records for trainings conducted, however, none of the workers were aware of any training programs.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.2
Benchmark Details	Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
Finding Details	Formal training on workplace disciplinary systems is not provided to managers or supervisors.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.5.1
Benchmark Details	Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.
Finding Details	The factory does not provide training to relevant supervisors that include all FLA's Code elements.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.1
Benchmark Details	Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.
Finding Details	Workers representatives in the grievance committee are nominated by management and not elected by workers. Further there are only 2 worker representatives (1 from admin, 1 store in-charge and 1 from production) and 3 management representatives. The chairperson is not changed on a rotating basis every year as legally required.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Industrial Disputes Act 1947- Section 9C (2)-Setting up of Grievance Redressal Machinery- The Grievance Redressal Committee shall consist of equal number of members from the employer and the workmen. Industrial Disputes Act 1947- Section 9C (3) : Setting up of Grievance Redressal Machinery- The chairperson of the Grievance Redressal Committee shall be selected from the employer and from among the workmen alternatively on rotation basis every year.
Benchmark ID	ER.15.1
Benchmark Details	Employers shall have in place a procedure for determining termination payouts, including methods for correct assessment of payouts for all modes of termination/retranchment, taking into account national legal requirements.
Finding Details	The factory has not provided any training to factory supervisors on COVID-19.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.1
Benchmark Details	Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retranchment and termination processes.

Finding Details	Procedures are not defined. Factory does not have written policies and procedures for termination and retrenchment, or compensation. The factory does not have written job descriptions for all positions when personnel need to be hired.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.1
Benchmark Details	Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).
Finding Details	The factory does not have policies and procedures on Workplace Conduct and Discipline.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.7.1
Benchmark Details	Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.

Finding Details	Factory does not have written procedures and there is no formal system in place for promotions. Promotions are considered based on request from workers. Verbal feedback is obtained from supervisors and based on feedback, workers are promoted with increase in wages. Evaluation results are not documented and shared with workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.8
Benchmark Details	Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.
Finding Details	The factory does not have written procedures on promotion, demotion or job reassignment. There has been no demotions or job reassignments.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.4

Benchmark Details	Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.
Finding Details	The factory management is not aware of the FLA.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.19.1
Benchmark Details	Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.
Finding Details	The factory does not document any reported grievances and does not have documents in relation to grievance processes.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.3.1

Benchmark Details	Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection.
Finding Details	Orientation training does not cover hours of work, wage and benefits, nondiscrimination, freedom of association, complete information on disciplinary action, steps to address grievances and termination, precautions are communicated verbally in an informal manner. Specific trainings are not conducted.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.1.3
Benchmark Details	Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.
Finding Details	Factory policies and procedures on FLA Code elements and employment functions were made in April 2021 with no review period defined. Management wasn't aware that written policies and procedures need to be reviewed periodically. The responsible person is not assigned in the written policies and procedures.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.4

Benchmark Details	The disciplinary system shall include a third party witness during imposition, and an appeal process.
Finding Details	Factory does not have written procedures on the disciplinary system.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.18.6
Benchmark Details	The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for a worker requesting a witness and filing an appeal of disciplinary action.
Finding Details	The factory does not have a policy on committing to non-retaliation during the disciplinary process.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.17.2
Benchmark Details	There shall be a mechanism that allows workers to report harassment and grievances confidentially, including any concerns or problems they may be experiencing around legally owed payments during a retrenchment process.
Finding Details	The grievance box is provided outside toilets which does not ensure confidentiality for workers.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	ER.3.3
Benchmark Details	Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.
Finding Details	Orientation program is conducted once every 3 months for workers who are hired each quarter. Workers sign a letter providing details of topics covered in the induction program and this letter is filed in individual file of workers. The topics covered in the orientation program does not include information on wage and benefits, fringe benefits, leaves and bonuses, termination process, working hours, steps to report grievances and disciplinary procedures.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

Freedom Of Association And Collective Bargaining (FOA)

Benchmark ID	FOA.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard.

Finding Details	Factory does not have written procedures on freedom of association or collective bargaining.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	FOA.12
Benchmark Details	Employers shall not attempt to influence or interfere in any way, to the detriment of workers' organizations, with government registration decisions, procedures and requirements regarding the formation of workers' organizations.
Finding Details	Workers' representatives in Work committee are nominated by Management and not elected by workers.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Industrial Disputes Act 1947- Section 43: Where under rule 42 the workmen's representatives are to be elected in to two groups, the workmen entitled to vote shall be divided in to two electoral constituencies, the one consisting of those, who are members of a registered trade union and the other of those who are not.
Benchmark ID	FOA.11
Benchmark Details	Employers shall not interfere with the right of workers to: draw up their constitutions and rules; to elect their representatives; or to organize their administration and activities

Finding Details	Worker representative in worker committees are nominated by management and not elected by workers, as legally required. Additionally, worker representatives do not represent all production processes.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Industrial Disputes Act 1947- Section 43: Where under rule 42 the workmen's representatives are to be elected in to two groups, the workmen entitled to vote shall be divided in to two electoral constituencies, the one consisting of those, who are members of a registered trade union and the other of those who are not. Industrial Disputes Act 1947- Section 39: The Number of members constituting the Committee shall be fixed so as to afford representation to the various categories, groups and classes of workmen engaged in, and to the sections, shops or departments of the establishment.

Harassment Or Abuse (H/A)

Benchmark ID	H/A.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment and abuse, including that which is gender-based
Finding Details	1. Penal consequences of harassment of women at workplace is not posted in the factory. This is a legal requirement. 2. Sensitization programs are not conducted by the Internal Complaints Committee to sensitize workers on harassment of women in the workplace. This is a legal requirement. 3. Presiding officer designated in Internal Complaints Committee is the HR Manager instead of a senior female employee, as required by legally provided guidelines.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	1.Sexual harassment of women (prevention, prohibition & redressal) at workplace act 2013- section 19(b): Every employer shall display at any conspicuous place, the penal consequences of sexual harassment. 2.Sexual harassment of women (prevention, prohibition & redressal) at workplace act 2013- section 19(c): Every employer shall organize workshops and awareness programs at regular intervals for sensitizing the employees with provisions of the act. 3. Sexual Harassment of women at workplace (prevention, prohibition & redressal) act 2013- Section 4(2)(a): Internal Committee shall consist of the following members to be nominated by the employer namely-a Presiding Officer who shall be a woman employed at a senior level at workplace from amongst the employees.
Benchmark ID	H/A.8.3
Benchmark Details	Employers, shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated, procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.
Finding Details	The factory does not have written procedures on harassment or abuse.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Health, Safety And Environment (HSE)	
Benchmark ID	HSE.30.1

Benchmark Details	Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.
Finding Details	There are no written procedures on grievance system. Formation of grievance committee does not comply with legal requirements.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.6.2
Benchmark Details	A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.
Finding Details	Responsibilities are not defined for workers for first aid or fire fighting techniques.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.5.1

Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements: posting evacuation plans; the installation and maintenance of fire alarms; the installation and maintenance of emergency lighting; ensuring aisles/exits are not blocked and that workers are not blocked within their workstations; employee education and training; and evacuation procedures and fire drills.
Finding Details	The factory does not have fire resistant smoke-sealed doors at the emergency exits.
Recommendation for Immediate Action	Ensure emergency exits are fire resistant smoke-sealed doors in the case of fire.
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.5.1.6
Benchmark Details	All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all the following elements: evacuation procedures and fire drills
Finding Details	Factory does not assess results of drills to learn how to improve the evacuation process.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.19
Benchmark Details	All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.

Finding Details	The factory does not provide workers with materials to clean or disinfect their workplaces as a COVID-19 prevention.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.13
Benchmark Details	All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.
Finding Details	The factory does not conduct any assessments for determining thermal comfort problem areas.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.14.1
Benchmark Details	All production machinery, equipment and tools shall be properly guarded and regularly maintained.
Finding Details	The factory does not use LOTO (lock out - tag out) arrangement. Management is not aware of this system.
Recommendation for Immediate Action	

Compliance Classifications	Sustainable Improvement Required
Local Law	Factories Act 1948- Section 7A(2A): 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 without prejudice to the generality of the provisions of subsection (1), the matters to which such duty extends, shall include-the provision and maintenance of plant and systems of work in the factory that are safe and without risks to health.
Benchmark ID	HSE.4.1
Benchmark Details	Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as: Purchase and storage of chemicals; Fire safety inspections; Machinery inspections; Waste disposal; Environmental licenses/permits; Sanitation permits, including those required for canteens; and Vehicle inspection and driver permits for all employer provided transportation.
Finding Details	Competency certificate issued by local government for 3rd party inspector who inspected the Boiler and Compressor in June 2021 is not maintained with inspection reports. The inspection reports cannot be legally accepted. This could be a risk for accidents.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Indian Boilers Act, 1923-Section 6 (e): Where the State Government has made rules requiring that boilers shall be in charge of persons holding Certificates of proficiency or competency, unless the boiler is in charge of a person holding the certificate required by such
Benchmark ID	HSE.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.

Finding Details	Waste water is discharged directly into the municipal drain. Air discharged from the power generator is tested once every in 6 months instead of being tested every quarter.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Uttar Pradesh Pollution Control Board - Consent under section 21/ 22 of the Air (Prevention and control of Pollution) Act, 1981 (as amended) to M/s. SGS OVERSEAS PRIVATE LIMITED dated February 3, 2021 , CONDITIONS OF CONSENT clause no. 9 - The unit should submit the stack emissions monitoring report within one month from issuance of consent.order along with the point wise compliance with the consent order. Further quarterly monitoring report should be submitted.
Benchmark ID	HSE.14.3
Benchmark Details	Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers.
Finding Details	Safety instructions are not displayed near any machinery. Could not verify if instructions are available in languages spoken by workers as no instructions were posted.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.17.2
Benchmark Details	Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.

Finding Details	The factory does not provide training on ergonomics, including lifting techniques.
Recommendation for Immediate Action	Provide workers training on ergonomics, including on safe lifting techniques. Ensure training is frequent and effective.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.30.2.6
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:protections to workers who allege health, safety, and environmental violations;
Finding Details	The factory does not conduct risk assessments to determine the health, safety, and environmental risks.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.30.2
Benchmark Details	The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system within which the following are clear and regularly tested and reviewed; procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies

Finding Details	The factory does not track all injuries and there have not been accidents reported in the factory so far. There has been minor injuries such as minor needle pricks.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HSE.8
Benchmark Details	Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.
Finding Details	Documents are maintained to reflect trainings conducted in March 2021 and June 2021, however, workers interviewed confirmed that formal trainings were not conducted, however, some awareness is provided.
Recommendation for Immediate Action	
Compliance Classifications	Uncorroborated Risk of Non-Compliance
Local Law	
Benchmark ID	HSE.14.2
Benchmark Details	Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.
Finding Details	The factory does not provide training to workers operating machinery and vehicles.

Recommendation for Immediate Action	Provide training to workers on how to safely operate machines and vehicles. Ensure the training is effective.
Compliance Classifications	Immediate Action Required
Local Law	
Benchmark ID	HSE.17.1
Benchmark Details	Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.
Finding Details	Sitting areas and anti-fatigue mats are not provided for workers with standing jobs. This is a legal requirement.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Factories Act 1948- Section 44 (1): In every factory suitable arrangements for sitting shall be provided and maintained for all workers obliged to work in a standing position, in order that they may take advantage of any opportunities for rest which may occur in the course of their work.

Hours Of Work (HOW)

Benchmark ID	HOW.1.1
Benchmark Details	Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.

Finding Details	<p>1. Most workers are domestic migrant workers who do not use their leaves during the year and prefer to accumulate and use them when they visit their homes during festivals. If they leave employment, wages for unused leave is paid (with no deductions) as part of terminal dues. When workers do not report for work on any day, they are marked absent and are not paid wages for the days they are absent. This non-payment of wages impacts employer and employee contribution towards social security as no contribution is deducted and credited to the account of the worker. Legally, 12% of wages is deducted from wages of worker and 12% is contributed by employer towards social security . Contribution towards social security is not applicable from wages paid for unused leave . Currently none of the workers had leaves beyond 30 days accumulated. 2. Factory does not use leave application forms for workers to request leaves. Request are made verbally to Supervisors who verbally advises the HR Manager. 3. Work hours for 3 outsourced security guards are maintained manually (hand written). Work hours recorded reflect shift timings and not actual time of start and end of work.</p>
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Factories Act 1948, Chapter VIII- Annual Leave with wages- Section 79 (5) - If a worker does not in any one calendar year take the whole of the leave allowed to him under sub-section (1) or sub-section (2), as the case may be, any leave not taken by him shall be added to the leave to be allowed to him in the succeeding calendar year: Provided that the total number of days of leave that may be carried forward to a succeeding year shall not exceed thirty in the case of an adult.
Benchmark ID	HOW.22.1
Benchmark Details	Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances.
Finding Details	Factory does not have written procedures for managing hours of work, including during exceptional circumstances.

Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	
Benchmark ID	HOW.11.1
Benchmark Details	Employers shall provide workers with paid annual leave as required under national laws, regulations and procedures.
Finding Details	1. Workers do not use their leaves during the year and it is accumulated and paid as part of terminal dues when workers leave employment. When workers do not report for work, they are marked absent and are not paid wages for the days they are absent. This non-payment of wages impacts employer and employee contribution towards social security.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	Factories Act 1948, Chapter VIII- Annual Leave with wages- Section 79 (5) - If a worker does not in any one calendar year take the whole of the leave allowed to him under sub-section (1) or sub-section (2), as the case may be, any leave not taken by him shall be added to the leave to be allowed to him in the succeeding calendar year: Provided that the total number of days of leave that may be carried forward to a succeeding year shall not exceed thirty in the case of an adult or forty in the case of a child. Factories Act, 1948- Section 79(1): Every worker who has worked for a period of 240 days or more in a factory during a calendar year shall be allowed during the subsequent calendar year, leave with wages for a number of days calculated at the rate of - (i) if an adult, one day for every twenty days of work performed by him during the previous calendar year.
Benchmark ID	HOW.9.2

Benchmark Details	Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances sufficiently in advance to allow workers to make alternative plans.
Finding Details	Workers are informed after their lunch break as overtime is based on production output prior to the lunch break. No changes in rest days are made.
Recommendation for Immediate Action	
Compliance Classifications	Sustainable Improvement Required
Local Law	

