



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: PVH Corp
COUNTRY: India
ASSESSMENT DATE: 05/25/16
ASSESSOR: Insync Global
PRODUCTS: Apparel
NUMBER OF WORKERS: 201

Summary of Code Violations

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.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

Findings and Action Plans

FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

The legally required wage increase tracker (record of changes in wages) is not maintained in workers' personnel files, although wage change letters are issued and periodically filed.

Local Law or Code Requirement

Industrial Employment Standing Orders Act, 1946; FLA Workplace Code (Employment Relationship Benchmark ER.2)

Recommendations for Immediate Action

Maintain the progressive wage increase tracker in employees' personnel files.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory has begun maintaining service records which contain wage increases for all employees in their personnel file. Sustainable Action: The factory's HR Executive shall update employees service records as required. The practice will be monitored by the factory's H.R. Manager.

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. There are no written policies or procedures on Personnel Development.
2. The policy on Recruitment and Hiring does not include a requirement to train supervisors and workers on Recruitment and Hiring or information on the vacancy notification process.
3. There is no policy on performance reviews that includes steps and processes, demonstrates linkages to job grading, prohibits discrimination, provides written feedback, and complies with legal requirements.
4. Performance reviews are not documented; instead, workers receive verbal feedback from their supervisors and are reviewed by management, on which pay increases are determined.
5. There are no procedures on: raising or broadening workers' skills in order to advance their careers; the steps and requirements in the promotion, demotion, and reassignment scheme or; providing workers with the written outcomes of promotion, demotion, and reassignment.
6. The factory does not conduct ongoing training on Recruitment, Hiring and Personnel Development or on workplace standards/code of conduct.
7. Workers sign written documentation of their orientation training, but the documents are then returned to workers' personnel files. The document only covers Compensation and basic Health & Safety parameters such as fire safety, the use of PPE, and first aid kits. It does not cover any other Employment Function.
8. The factory does not issue transfer letters when workers change job positions. For example, a worker was hired as an unskilled canteen helper in February 2015 and transferred to the production department as a skilled worker in November 2015, but no transfer letter was issued.
9. There are job descriptions for supervisors and managers in the Policy Manual, but they are not communicated when filling vacancies. The factory does not communicate the policies and procedures Requirement, Hiring, and Personnel Development to the workforce.
10. The existing policies are not dated and no review period is specified.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, ER.29, and ER.30)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory is in the process of revising its policy on personnel development. Sustainable Action: The factory will train all relevant staff on the revised policies. Additionally policies will be reviewed on a periodic basis, at least once every two years.

Action Plan no 2.

Description

Immediate Action: The factory will include in its revised policy on Recruitment and Hiring a requirement to train supervisors and workers on recruitment and hiring as well as information on the vacancy notification process. Sustainable Action: The factory will train all relevant staff on the revised policies. Additionally policies will be reviewed on a periodic basis, at least once every two years.

Action Plan no 3.

Description

Immediate Action: The factory is in the process of revising its policies and will update the policy with information on performance reviews that includes steps and processes, demonstrates linkages to job grading, prohibits discrimination, provides written feedback, and complies with legal requirements. Sustainable Action: The factory will train all relevant staff on the revised policies. Additionally policies will be reviewed on a periodic basis, at least once every two years.

Action Plan no 4.

Description

Immediate Action: The factory will provide written documentation of performance reviews. Sustainable Action: The factory will train all relevant staff on the revised policies. Additionally policies will be reviewed on a periodic basis, at least once every two years.

Action Plan no 5.

Description

Immediate Action: The factory is in the process of revising its policies and will include in this update, procedures on raising or broadening workers' skills in order to advance their careers; the steps and requirements in the promotion, demotion, and reassignment scheme and providing workers with the written outcomes of promotion, demotion, and reassignment.

Sustainable Action: The factory will train all relevant staff on the revised policies. Additionally policies will be reviewed on a periodic basis, at least once every two years.

Action Plan no 6.

Description

Immediate Action: The factory will schedule a formal training on Recruitment, Hiring and Personnel Development as well as on Workplace standards and Code of Conduct for all employees. The factory will aim to schedule these trainings yearly so that information about these issues is provided on an ongoing basis.

Sustainable action: The factory is in the process of updating its policies on Recruitment, Hiring and Personnel Development and on workplace standards/code of conduct. the factory will educate its employees on the above policies on periodic basis and document the such trainings.

Action Plan no 7.

Description

Immediate Action: The factory will include information on employment functions in the orientation training documents provided to workers.

Action Plan no 8.

Description

Immediate Action: The factory has begun to issue transfer letters when workers change job positions as of 6/1/2016.

Action Plan no 9.

Description

Immediate Action: The factory will communicate job descriptions when filling vacancies. Additionally, the factory will communicate policies and procedures around Recruitment, Hiring and Personnel Development to the workforce.

Action Plan no 10.

Description

Immediate Action: The factory's policies will be dated and a review period will be specified.

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Workers who resign in any month are paid the following month when regular wage payments are made, but payments for unused leave and bonuses are paid out during the festival period in October. For example, a worker resigned on May 15, 2015. Wages for the 15 days worked in May were paid on July 7, 2015; payment for 12.5 days of unused leave and the annual bonus were paid in October 2015. This practice does not comply with legal requirements which state that wages for unused leave need to be paid within 48 hours of the date of resignation.

2. Currently, the factory makes payments for 15 days of earned leave each year at the same time as a bonus. This practice does not comply with legal requirements, which state that workers can accumulate up to 30 days of unused leave. As a result, workers have no earned leave in their accounts and should they need to take leave, they will lose out on wages which affects their annual earnings, contributions to social security, and bonuses. Additionally, workers are allowed to take one day of paid non-sick leave each month. For example, should a worker require 4 days of leave in a month, one day is counted as paid "casual leave" and the other three days the

worker is marked “absent” and not paid.

3. The factory pays workers’ transportation allowances on the 15th day of each month, which is not reflected in the wage records. Transportation allowances are as follows: INR 1000 (USD 14.86) for a bus pass, INR 240 (USD 3.57) for local travel, and INR 1000 (USD 14.86) for workers using two-wheelers. Because these payments are not recorded properly, they are not included in calculations of the deduction of contributions to the Employees State Insurance Scheme.

Local Law or Code Requirement

Factories Act, 1948, Section 79 (i); Factories Act, 1948; Payment of Wages Act, 1936; The Employees State Insurance Act, 1948; FLA Workplace Code (Compensation Benchmark C.1; Employment Relationship Benchmark ER.22; Hours of Work Benchmarks HOW.11 and HOW.14)

FLA’s Recommendations for Sustainable Improvements

1. Make payments for unused leave within 48 hours of Termination.
2. Allow workers to accumulate and use up to 30 days of earned leave.
3. Record all payments made to workers in the wage records and calculate contributions toward the Employees State Insurance program based on total gross earnings.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory has begun paying all dues within two working days from the date of resignation. Sustainable Action: The factory will implement a monitoring mechanism whereby the HR Manager will ensure that all dues are paid within two working days from the date of resignation.

Action Plan no 2.

Description

Immediate Action: The factory will discontinue the practice of cashing out earned leave after this year's festival in October. Sustainable Action: The factory will provide workers with the option to accumulate up to 30 days unutilized leave. This policy has been communicated to relevant workers. The factory plans to continue to provide workers one day leave with pay every month as an additional benefit.

Action Plan no 3.

Description

The factory is not paying any fixed travel allowance to employees. Reimbursement is provided for travel expenses that are incurred. In order to claim reimbursement, the employees submit copies of documents such as bus passes and fuel receipts etc. Given that this is not an allowance paid to the employee but rather an additional benefit, the amount reimbursed is not included in the wages and under local law, deduction for ESIC is not required.

Action Plan no 4.

Description

Finding : Related to leave Encashment

Root cause: We are following various benefits for our employees, Employees wish to encash their earned leave as they want to utilize the money for better cause.

Company Action Plan Update

Immediate action : We have again explained the benefits to our employees for accumulating their earned leave up to 30 days and advised them that this procedure will be followed effective new calendar year i.e. Jan, 2020.

Sustainable action : The HR / Admin team shall ensure this procedure is followed effective Jan.2020 so that the legal requirement is met and the action taken is sustained.

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The Compensation policy does not include information on earned leave, factory leave practices, legally mandated wage deductions, details of legal benefits pertaining to gratuity, incentives, or how bonuses are calculated. The policy is not dated and no review period is defined.
2. There are no written procedures on Compensation.
3. The factory does not provide formal ongoing training for workers or training for supervisors on Compensation; however, workers are made aware of the Compensation they are entitled to.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, and ER.22)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory will update its compensation policy to include information on earned leave, factory leave practices, legally mandated wage deductions, details of legal benefits pertaining to gratuity, incentives and how bonuses are calculated. Additionally, the policy will be dated and updated to include a review period.

Sustainable action: The factory is in the process of updating its policy on Compensation. Once the policy is drafted the employees will be provided training on a periodic basis and document the such trainings.

Action Plan no 2.

Description

Immediate Action: The factory will draft written procedures on Compensation.

Action Plan no 3.

Description

Immediate Action: The factory will provide ongoing training to all relevant supervisors and workers on the factory's compensation policy. Sustainable action: The factory is in the process of updating its policies on compensation Once the policy is drafted the employees will be provided training on a periodic basis and document the such trainings.

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

Production planning is based on 9 hours of work (8 regular hours + 1 hour of overtime (OT)). Daily targets are collectively set for each department based on 9 hours of work (8 regular + 1 hour OT). According to management, workers want to work additional hours to earn more but to comply with legal limits, they only allow 1 hour of OT per day. Since workers work 9 hours per day, production planning is done accordingly to provide work for all 9 hours. Workers can refuse to work the additional OT hours. This was confirmed during worker interviews.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmarks HOW.1 and HOW.8)

Recommendations for Immediate Action

Base production planning on 8 regular hours of work; do not include overtime hours in production planning.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory is in the process of redrafting its Hours of Work policy. This update will include information on overtime hours, formal training and other related information such as how workers should handle forgetting to clock in/out. Additionally, the policy will be reviewed periodically.

Action Plan no 2.

Description

Immediate Action: The factory's working hourw records will be updated to identify lactating or pregnant workers. Additionally the factory's policy on working hours includes information on identifying pregnant and lactating workers. Sustainable Action: This policy will be reviewed periodically to ensure compliance.

Action Plan no 3.

Description

Sustainable Action: The factory will train all relevant employees and supervisors on the revised Hours of Work Policy once it is drafted. Additionally, the factory will maintain records of this training.

Action Plan no 4.

Description

Immediate Action: The factory's Hours of Work policy will be dated and a review period will be defined.

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. There are no formal written procedures on Hours of Work. The factory uses an electronic time recording system to record working hours but workers do not receive instructions on what to do if they forget to clock in/out.
2. The factory's working hours records do not identify lactating or pregnant workers.
3. The factory does not conduct formal training for workers or supervisors on Hours of Work; however, all employees are aware of the procedures.

4. The Hours of Work policy is not dated and does not define a review period.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, and ER.23; Hours of Work Benchmark HOW.5)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory is in the process of redrafting its Hours of Work policy. This update will include information on overtime hours, formal training and other related information such as how workers should handle forgetting to clock in/out. Additionally, the policy will be reviewed periodically.

Action Plan no 2.

Description

Immediate Action: The factory's working hourw records will be updated to identify lactating or pregnant workers. Additionally the factory's policy on working hours includes information on identifying pregnant and lactating workers. Sustainable Action: This policy will be reviewed periodically to ensure compliance.

Action Plan no 3.

Description

Sustainable Action: The factory will train all relevant employees and supervisors on the revised Hours of Work Policy once it is drafted. Additionally, the factory will maintain records of this training.

Action Plan no 4.

Description

Immediate Action: The factory's Hours of Work policy will be dated and a review period will be defined.

FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. There is no policy on Termination.
2. There are no written procedures on Termination & Retrenchment; however, there are informal procedures on Termination. Methods for calculating final payouts in accordance with legal requirements and timelines for payment of dues are not defined in writing.
3. The factory has not provided supervisors or the general workforce training on Termination & Retrenchment.
4. The factory does not communicate its existing policies and procedures on Termination & Retrenchment to the general work force.
5. The Retrenchment policy is not dated and no review period has been defined.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.17, ER.19, and ER.32)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory will draft comprehensive policy and procedures on Termination and Retrenchment and include details of final payouts vis a vis the legal requirements and timelines.

Action Plan no 2.

Description

Immediate Action: The factory will draft comprehensive policy and procedures on Termination and Retrenchment and include details of final payouts vis a vis the legal requirements and timelines. Sustainable action: The factory is in the process of updating its policies on Termination and Retrenchment. Once the policy is drafted the employees will be provided training on a periodic basis and the factory will document such trainings.

Action Plan no 3.

Description

Immediate Action: The factory will update its Retrenchment and Termination policy to include procedures of termination and retrenchment in general. Sustainable Action: Once the policy is updated, the factory will train supervisors and all workers on termination and retrenchment issues.

Action Plan no 4.

Description

Sustainable Action: Once the policy is updated, the factory will train supervisors and all workers on termination and retrenchment issues.

Action Plan no 5.

Description

Immediate Action: The factory will define a review period and include a date on the updated Retrenchment policy.

FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory has a policy on Freedom of Association, but not on Industrial Relations.
2. There are no written procedures on Industrial Relations or Freedom of Association.
3. The factory does not conduct training on Industrial Relations and Freedom of Association for supervisors or the general workforce.
4. The policy on Freedom of Association is not dated and no review period has been defined.
5. The Works and Grievance Committees have been combined, which does not comply with legal requirements. Most workers interviewed (20 out of 35) were not aware of these committees. These committees are joint worker-management committees and not completely free from management interference. However, management at the factory does not prevent the worker representatives from meeting independently.

Local Law or Code Requirement

Industrial Disputes Act, 1947; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, ER.25 and ER.26; Freedom of Association Benchmark FOA.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory will draft a policy on Industrial Relations. Sustainable Action: Once the Industrial Relations policy is drafted, the factory will conduct awareness training for all employees on the periodic basis. Records of this training will also be maintained.

Action Plan no 2.

Description

Immediate Action: The factory will draft written procedures on Freedom of Association and Industrial Relations. Sustainable Action: Once the written procedures on Freedom of Association are drafted, the factory will conduct awareness training for all employees on the periodic basis. Records of this training will also be maintained.

Action Plan no 3.

Description

Sustainable Action: Once the Freedom of Association policy and Industrial Relations policy is updated and drafted, respectively, the factory will conduct awareness training for all employees on the periodic basis. Records of this training will also be maintained.

Action Plan no 4.

Description

Immediate Action: The factory will update the policy on Freedom of Association to include a review period and a date. Sustainable Action: Once the written procedures on Freedom of Association are drafted, the factory will conduct awareness training for all employees on the periodic basis. Records of this training will also be maintained.

Action Plan no 5.

Description

Immediate Action: The factory has restructured and separated the Grievance and Worker committee effective 8/1/2016. Sustainable Action: The factory will educate all relevant employees on grievance procedures at the facility.

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. The certified standing orders and penal consequences for sexual harassment are not posted as required by law.
2. There are no female security guards to search the bags of female workers. Instead, the factory has assigned a senior female production worker to check them. This practice does not comply with legal requirements since her terms of employment do not define her responsibility as security staff.

Local Law or Code Requirement

Industrial Employment Standing Orders Act, 1946; The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Abolition) Act, 2013 - Chapter VI 19(b); FLA Workplace Code (Employment Relationship Benchmark ER.2; Harassment and Abuse Benchmark H/A.10)

Recommendations for Immediate Action

1. Post a copy of the certified standing orders and penal consequences for sexual harassment in the local language.
2. Hire a female security guard to search female workers' bags.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory has posted a copy of the certified standing and all other relevant poster at various prominent

locations in the factory.

Action Plan no 2.

Description

Immediate Action: The factory has posted an exclusive female security guard to check bags.

Action Plan no 3.

Description

Finding : 1

Root cause: We have missed to post the penal consequences, as we were not quite aware of this requirement, though we do have periodical meetings of the internal compliance / POSH committee.

Finding : 2

Root cause : We are not aware of this requirement.

Immediate action: female security guard has already been hired since Feb.2018. With respect to job of the substitute female security when the regular female security guard is on leave, this task has been assigned to a senior women employee. As understood from the discussions effective 1/11 we have provided additional compensation for this job and included this responsibility in the terms of employment.

Company Action Plan Update

Finding : 1

Immediate action : We have taken necessary action and posted the penal consequences for the sexual harassment effective 10/21 on the notice board in each floor of the factory both in English and Tamil language

Sustainable action: Periodical awareness to our employees on penal consequences for sexual harassment shall be highlighted. H.R team will monitor the same so that the action taken is sustained.

Finding 2

Immediate action: female security guard has already been hired since Feb.2018. With respect to job of the substitute female security when the regular female security guard is on leave, this task has been assigned to a senior women employee. As understood from the discussions effective 1/11 we have provided additional compensation for this job and included this

responsibility in the terms of employment.

Sustainable action: Going forward the HR / Admin team shall ensure, if any employee is given additional responsibility, same would be reflected / included along with additional compensation in her/his terms of employment..

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. There are no written policies or procedures on Workplace Conduct & Discipline; however, there are informal management systems in place. For example, the factory has written certified standing orders, a legal document certified by government authorities. This document defines some disciplinary procedures, but does not specify channels for reporting concerns or time lines for initiating disciplinary actions. There are no procedures requiring verbal warnings to be recorded.
2. A copy of the workplace rules is posted on the notice board in the local language, but employees do not receive a copy to keep.
3. The factory does not conduct formal training on Workplace Conduct & Discipline for workers or supervisors, but workers have some general awareness on the topic.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory will review the current Workplace Conduct and Discipline policy and draft a more comprehensive policy that will include the procedures followed in the factory. The factory will include in this update specifics on channels for reporting concerns and timelines for initiating disciplinary action.

Sustainable Action: Once the Workplace Conduct and Discipline policy has been drafted and implemented the factory will train all relevant workers on the updated policy. Furthermore, periodic training will be conducted on this issue to ensure continued awareness.

Action Plan no 2.

Description

Immediate Action: The factory has posted a copy of the workplace rules on the notice board in the local language. Additionally, all employees will now be given a copy of the workplace rules.

Action Plan no 3.

Description

Immediate Action: The factory currently conducts an induction training for all workers. The factory will conduct formal training on Workplace Conduct, Discipline and the Grievance system for workers and supervisors. Sustainable Action: The factory will conduct periodic training on this issue to ensure continued awareness

FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. The Grievance System procedures do not cover the use of suggestion/grievance boxes, the Grievance Committee, the need to document grievances, or direct settlement between workers and supervisors. As a result, grievances are reported verbally and not documented, though they are addressed.
2. The factory has not provided formal training on the Grievance System to supervisors or the general workforce; however, they are given some informal verbal instructions.
3. There is no separate Grievance Committee in the factory. The Works Committee is also called the Grievance Committee; legally, these should be two separate committees with different objectives.
4. The Grievance System policy is not dated and there is no defined review period.
5. Management is not aware of the FLA requirements, such as the need to document grievances and create formal procedures that assign responsibility and define timelines.

Local Law or Code Requirement

Industrial Disputes Act, 1947; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.17, ER.25.3.1, and ER.25.3.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The Grievance policy and procedures will be updated to include a review period and information on use of the grievance box, the need to document grievances and information on direct settlement between workers and supervisors. Additionally, a Works Committee and a Grievance committee has been formed and provided with specific directives.

Sustainable Action: Once the grievance policy has been implemented, the factory will train all relevant workers on the updated policy. Furthermore, periodic training will be conducted on this issue to ensure continued awareness.

Action Plan no 2.

Description

Sustainable Action: The factory will provide formal training on the grievance system to supervisors and the general workforce.

Action Plan no 3.

Description

Immediate Action: The factory has instituted a Grievance Committee and a separate Works Committee with different objectives.

Action Plan no 4.

Description

Immediate Action: The grievance policy will be updated to include a defined review period and a date.

Action Plan no 5.

Description

Immediate Action: The factory will update the grievance policy and create formal procedures that assign responsibility and define timelines for handling grievances. Sustainable Action: Once the grievance policy has been implemented, the factory will train all relevant workers on the updated policy. Furthermore, periodic training will be conducted on this issue to ensure continued awareness.

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. There are no labels on barrels containing diesel. The secondary chemical containers cannot sufficiently contain leaks for any of the chemicals stored at the factory. The chemical storage area is easily accessed by anyone in the facility.
2. The exhaust pipe height (for generator exhaust fumes) is not the legally required four meters; instead it is placed just above the generator room.

Local Law or Code Requirement

Factories Act, 1948; The Tamilnadu Pollution Control Board Consent Order No. 160824914829, dated 28 April 2016; FLA Workplace Code (Health, Safety & Environment HSE.1 and HSE.4)

Recommendations for Immediate Action

1. Label diesel barrels in the local language. Provide secondary containers with adequate capacity to contain chemical leakage. Restrict access to chemical storage areas.
2. Increase the stack height to comply with legal requirements.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory labeled the diesel barrels with chemicals in both English and Tamil and arranged for a secondary container for chemicals and diesel that sufficiently contain leakages. Furthermore, the factory has restricted entry to the chemical and diesel storage areas.

Sustainable Action: The factory will instruct relevant employees to label the chemicals and diesel stored in the facility. Additionally, the factory will educate all relevant staff about entry requirements into the chemicals and storage area.

Action Plan no 2.

Description

Immediate Action: The factory has increased the stack height of the exhaust pipe by an additional 2 feet to ensure compliance with legal requirements.

Action Plan no 3.

Description

Finding : 1

Make sure Chemicals are labeled & 110% secondary chemical containers provided for chemicals stored in the facility .

Root cause : We were not quite aware of this aspect as we were under the impression our secondary container was sufficient.

Company Action Plan Update

Immediate action : We have taken necessary action immediately and effective 10/21, we have provided secondary container with higher capacity (125% of capacity) . Photo attached.

Sustainable action: The importance of this aspect has been emphasized to the concerned team so that the action taken is sustained.

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. There are no procedures on Environmental Protection.
2. The factory has not conducted a risk assessment to identify whether waste generated on site may have negative impact on the environment.
3. The factory does not provide regular or ongoing training for supervisors or the general workforce on Environmental Protection.
4. Though the workforces' general awareness of Environmental Protection is low, and there are procedures for them to raise environmental concerns.
5. No employee has been assigned responsibility for monitoring environmental issues.
6. The Environmental Protection procedures do not include a requirement to periodically review the procedures to ensure they comply with legal requirements. Management is not aware of the FLA Benchmarks on Environmental Protection.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.17, and ER.31; Health, Safety & Environment Benchmark HSE.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory will review its present Environmental Policy Procedures and Waste Management Plan and draft more comprehensive policy and procedures in this regard . Specifically, the policy will be updated to include the steps for increasing the awareness of our general workforce as well and shall ensure the review period is specified in this updated Environmental Policy.

Sustainable action: Once the policy is finalized the factory will train its employees on a periodic basis and record such trainings.

Action Plan no 2.

Description

Immediate Action: The factory will conduct a risk assessment to identify whether waste generated on site has a negative impact on the environment.

Action Plan no 3.

Description

Sustainable Action: Once the policy on Environmental Protection is updated, all relevant workers and supervisors will be trained on the policy. Additionally, the factory will provide periodic training on this issue.

Action Plan no 4.

Description

Immediate Action: The factory will review its present Environmental Policy Procedures and Waste Management Plan and draft more comprehensive policy and procedures in this regard. Specifically, the policy will be updated to include the steps for increasing the awareness of our general workforce as well and shall ensure the review period is specified in this updated Environmental Policy.

Action Plan no 5.

Description

Sustainable Action: The factory has a 4 member team to monitor and manage wastage and ensure solid waste is stored in separate bins. The factory will work to identify an individual who is responsible for monitoring environmental issues in general.

Action Plan no 6.

Description

Immediate Action :The factory will review its present Environmental Policy Procedures and Waste Management Plan and draft more comprehensive policy and procedures in this regard. Additionally, the policy will be updated to include a requirement to periodically review and update the policy to ensure that the policy is compliance with legal requirements.

FINDING NO.14

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have written procedures on Health & Safety, though workers are occasionally given verbal instructions to manage various practices.
2. The factory does not have standard operating procedures for machine safety.
3. There are no formal procedures in place to protect the reproductive health of employees, through there are informal procedures to address these issues since almost 70% workforce is comprised of women. Currently there are no pregnant women working in the factory.
4. The factory's evacuation procedures do not cover the evacuation of special categories of workers.
5. There are no procedures on steps that should be taken to protect workers in case of chemical spill, including identifying those who are responsible for cleaning up the spill.
6. No third-party fire risk assessment has been conducted. However, a self-assessment by the organization has been done which provides information on evacuation procedures and the availability of fire-fighting equipment.
7. The factory has not designated fire wardens responsible for coordinating the evacuation process.
8. There is no review period defined in the policy on Health & Safety.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2, ER.17, and ER.31; Health, Safety & Environment Benchmarks HSE.1 and HSE.5.)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: The factory is in the process of reviewing its current Health and Safety policies. After completing the review, the factory will draft Health and Safety procedures.

Action Plan no 2.

Description

Immediate Action: The factory has drafted SOPs for machine safety in the local languages. Additionally, these SOPs have been posted near some of the machines.

Action Plan no 3.

Description

Immediate Action: The factory is in the process of reviewing its currently Health and Safety policy. After this review is completed, the factory will create procedures that protect the reproductive health of employees.

Action Plan no 4.

Description

Immediate Action: The factory will draft comprehensive policies that will address all necessary aspects of the evacuation process to be followed in an emergency situation. Sustainable Action: Once the policy has been revised, the factory will regularly educate all relevant employees as to the policy. Additionally, the policy will be reviewed at least once in two years.

Action Plan no 5.

Description

Immediate Action The factory will draft a comprehensive procedure/guidelines for handling adhesives (chemicals) which will include a designating a responsible person to clean up the spill and an action plan to be followed in the case of spillage. Sustainable Action: Once the chemical (adhesives policy) is finalized, the factory will conduct awareness training for the concerned employees on a periodic basis.

Action Plan no 6.

Description

Immediate Action: The factory had a third-party fire assessment conducted on September 9th 2016.

Action Plan no 7.

Description

Immediate Action: The factory has communicated to the department supervisors their roles and responsibilities during the emergency evacuation process. Sustainable Action: The factory will conduct refresher trainings on roles and responsibilities for department supervisors on a periodic basis.

Action Plan no 8.

Description

Immediate Action: The factory will include a review period in the Health and Safety policy.

FINDING NO.15

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The exit doors in the factory open inwards. The main exit door is a roll-up door.
2. The factory's emergency assembly areas are located close to the building and may not be safe in case of a fire.
3. The evacuation procedures do not require the identification of visitors and guests or a head count of employees at the assembly area.
4. There are no hand rails on the staircase to prevent injury during the evacuation process.
5. The factory's exits are not illuminated and there are a few exits in the work areas and canteen that do not have emergency lights.
6. The factory has not provided the fire brigade with Personal Protective Equipment (PPE) like helmets, long sticks, torches, fire suits, breathing apparatuses, safety shoes, and axes.
7. There are no safety instructions posted near the machines.
8. The work stations are not adjustable to fit individual workers.
9. The factory has not implemented a Lock out/Tag out system.
10. There is no lightening protection installed in the factory building.
11. The traffic lanes are not marked and there are no convex mirrors, indicators, or reflectors installed.
12. The drinking water stations are located close to the restrooms, which does not comply with legal guidelines.

13. The factory has not provided industrial safety shoes and eye shields for the mechanics or rubber shoes and eye shields for the electrician.
14. Confined spaces are not marked with signage.
15. Chemical containers are labeled in English, and not labeled in the local language (Tamil).
16. There is no eye wash station in the chemical storage area.

Local Law or Code Requirement

Factories Act, 1948; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.6, HSE.9, HSE.13, HSE.14, and HSE.17)

Recommendations for Immediate Action

1. Realign the exit doors so that they open outwards. Replace any shutter-type doors.
2. Relocate assembly areas to a safe distance from the factory building.
3. Post evacuation, conduct a head count of all employees and record all visitor and guest information in the drill logs.
4. Install hand rails on all staircases.
5. Install emergency lights with a battery backup above all exits.
6. Provide appropriate PPE for the fire brigade.
7. Post safety instructions in the local language near all machinery.
8. Design work stations to avoid injury.
9. Implement a Lock Out/Tag out system while carrying out maintenance work.
10. Install a lightening protector in the factory building.
11. Install convex mirrors, indicators, and reflectors to ensure safe driving practices while exiting the factory. Mark traffic lanes and parking areas to avoid accidents.
12. Relocate drinking water stations at least 20 feet away from toilets as per legal guidelines.
13. Provide appropriate PPE for all workers.
14. Post signage in the local language near all confined areas.
15. Label all chemical containers in the local language.
16. Install eye wash stations in chemical storage areas.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Immediate Action: As a first step , the factory installed stoppers and latches for all emergency doors opening inwards and the factory is in the process of educating employees on how to use of stoppers and latches during working hours. Sustainable Action: The factory will consult a structural engineer and take the necessary action to ensure that the emergency exit doors open outward and that the roll-up door is replaced.

Action Plan no 2.

Description

Immediate Action: The factory has moved its safe assembly area closer to the main gate and instructed security keep the main gate open during emergency evacuations. Sustainable Action: The factory will educate all relevant workers and security personnel to ensure assembly occurs near the main gate in the marked safe assembly area.

Action Plan no 3.

Description

Immediate Action: The factory will update the evacuation procedure to require the identification of visitors, guests and head count of employees in the assembly area. Sustainable Action: The factory will review its evacuation policy and procedures periodically.

Action Plan no 4.

Description

Immediate Action: The factory installed a hand railing on the left side of the staircase. Sustainable Action: The factory will ensure that the hand railing is well-maintained. Additionally, a periodic inspection will be conducted by the maintenance team to ensure compliance.

Action Plan no 5.

Description

Immediate Action: The factory installed emergency lights in the canteen and replaced exit signs where necessary. Sustainable Action: The factory has instructed maintenance to conduct periodic inspection of the signs to ensure compliance.

Action Plan no 6.

Description

Immediate Action: The factory has provided the necessary PPE for the fire brigade. Sustainable Action: The factory's security staff will maintain the fire brigade PPE and routine monitoring will be conducted by the factory's emergency rescue team.

Action Plan no 7.

Description

Immediate Action: The factory posted safety instructions near the machines.

Action Plan no 8.

Description

Immediate Action: The factory has provided chairs with back rests for all relevant employees in compliance with ergonomic requirements. Additionally, the height of the chairs vis a vis the work table as been designed according to the type of work and operations in various departments.

Action Plan no 9.

Description

Immediate Action: The factory is in the process of drafting a Lock out/Tag out procedure to be followed in the facility.

Action Plan no 10.

Description

Immediate Action: The factory is in the process of discussing with experts the method by which lighting arrestors can be installed in the factory.

Action Plan no 11.

Description

Immediate Action: The factory has marked the traffic lanes and installed convex mirrors, indicators and reflectors.

Action Plan no 12.

Description

Immediate Action: The factory has shifted the drinking water stations away from the restroom in compliance with legal guidelines.

Action Plan no 13.

Description

Immediate Action: The factory will provide the adequate PPE for all relevant workers.

Action Plan no 14.

Description

Immediate Action: The factory has located and marked the confined spaces with signage.

Action Plan no 15.

Description

Immediate Action: The factory will label chemicals in both English and Tamil.

Action Plan no 16.

Description

Immediate Action: The factory is in the process of installing an eye wash station in the chemical storage area. Sustainable Action: The factory will train all relevant employees on how to use the eye wash station. Additionally, maintenance staff will be instructed to monitor the station to ensure compliance.

Action Plan no 17.

Description

Finding :1

Exit should not hinder during emergency evacuation

Root cause: As per legal requirements width of Exit Should be 110cms however we have provided 225 cm width wider than requirements so that employees can evacuate without any hindrances

Finding : 2

Need to provide safe assemble area .

Root cause: We have an open space in front of the factory of about 3600 (90 ft x 40 ft) sqft. This space would be more than reasonable to accommodate our employee strength

Finding : 5

Emergency Light should be installed in all required areas

Root cause: By oversight maintenance in charge didn't install emergency light in canteen.

Finding : 8

Employees needs to be comfortable while performing sitting job operations

Root cause: We have provided back rest chairs to all our work force. They are quite comfortable and do not have any complaints, as noted by the auditor.

Finding : 9

Implementation of Logout tag out effectively to avoid electrical hazards

Root cause : The Maintenance engineer and the concerned supervisors are aware of the log-out Tag-out procedure and we had also placed the order for the .long shackle lockout pad.

Finding : 10

Factory building should be protected from lightning :

Root cause: As per the risk assessment report from the competent chartered engineer approved by government, our building / factory is not a high rise building and is surrounded by high rise buildings in the close vicinity with the lightning arresters already installed in these nearby high rise buildings . Hence, our factory / building would not require an additional lightning arrester as per the report submitted by the competent chartered engineer.

Finding : 14

Factory needs to identify confined spaces existing in the factory premises and signage's should be displayed

Root cause : We were not clearly aware of this requirement. We need to mark all confined spaces in the factory premise

Company Action Plan Update

Finding 1

Immediate Action: We have conducted awareness training on 11/29/ 2019 for all of employees for keeping the Exit doors in open position during working hours. We have installed lock to the Roll up doors on both sides to ensure it is kept in the open position always during the working hours and does not hinder evacuation during any emergency.

Sustainable action: We will conduct periodical awareness training for all of our employees to make sure emergency doors are kept open during working hours and maintenance team will make regular check on locks installed to the roll up doors and make sure that it will not come down during the working hours / emergency evacuation.

Finding : 2

Immediate Action : We have also open space next to our building and the same will be used as a safe assembly area. Besides the accessibility to our building is smooth and free from three sides .

Sustainable action : We are conducting emergency evacuation drills on a periodical basis. The last evacuation was conducted on 11/20. We shall ensure this practice is continued regularly to make sure the employees are always aware of the safe assembly area and the procedure of safe evacuation.

Finding : 5

Immediate action: Emergency light has been installed in the Canteen already on 11/29.

Sustainable action: Maintenance in-charge will conduct regular checks on working condition of all emergency lights installed in our facility and requirements of installation of emergency light if needed .

Finding : 8

Immediate action : The chairs provided to the work force are varying in heights depending upon the type / nature of the work. We have again discussed with our workforce on 11/23 to ascertain if they have any concerns with respect to the height / comfort of their seating and presently they are quite comfortable.

Sustainable action: We shall ask for and ensure constant feedback from our employees in the committee meetings and in case of any concerns / issues we shall take necessary action accordingly.

Finding : 9

Immediate action: We have already received the long shackle lockout padlocks and log-out training was also conducted also on 9/20. Photo attached.

Sustainable action : The maintenance team shall follow the set procedure in a sustained manner and the same will be monitored by the management .

Finding : 10

Immediate action : The risk assessment of our factory was carried out by the chartered engineer on 8/14/19. Photo of the building with lightning arrester just behind our factory is attached.

Sustainable action : Effective measures in terms of risk assessment of the factory building from lightning and other factors shall be taken periodically so that the action taken is sustained.

Finding 14

Immediate action: We have already received the long shackle lockout padlocks and log-out training was also conducted also on 9/20. Photo attached.

Sustainable action : The maintenance team shall follow the set procedure in a sustained manner and the same will be monitored by the management .