



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



Verification Assessment

COMPANIES: The s. Oliver Group
COUNTRY: India
ASSESSMENT DATE: 09/01/17
ASSESSOR: Insync Global
PRODUCTS: Apparel
NUMBER OF WORKERS:

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.

Previous Report Findings and Verification Results

PREVIOUS FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. The factory does not provide any formal orientation training to new employees; the factory only verbally communicates basic information on Compensation and Hours of Work. In addition, the factory does not provide any skill-based training for new employees. Hence, without a formal orientation training, the factory does not provide workers with any documents, such as workplace rules.

2. Although factory management stated that awareness on workplace standards and Code of Conduct are verbally provided, the factory does not conduct any formal ongoing training (only verbal) for employees for following Employment Functions: Recruitment, Hiring & Personnel Development, Hours of Work, Termination & Retrenchment, Industrial Relations & Freedom of Association, Workplace Conduct & Discipline, Grievance System, Environmental Protection, and Health & Safety.

3. Furthermore, there is no specific formal training (only verbal) for relevant supervisors on following Employment Functions: Recruitment, Hiring & Personnel Development, Hours of Work, Termination & Retrenchment, Industrial Relations & Freedom of Association, Workplace Conduct & Discipline, Grievance System, Environmental Protection, and Health & Safety.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15, and ER.17)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: Management stated that the orientation program is conducted either once in a month or once in two months for new recruits. Review of record for orientation programs reveals that programs are conducted once in every two months (January 7, 2017, March 17, 2017, May 26, 2017 and July 20, 2017). On each of the dates, names of ten to fifteen workers are recorded, however, none of the workers have signed the attendance sheet to confirm participation. No document is provided to workers that cover all topics included in the orientation program. Based on information gathered through interviews, none of these workers whose names are seen on the records have attended any orientation program. ER.15

2. Finding Status (Not Remediated)

Explanation: Records from July 2016, show training programs being conducted once every month and records from 2017 show training

programs being conducted once every two months. Names of 10 to 15 workers are recorded on each date, however, workers and management representative including trainers have not signed on the attendance sheet at all. Based on information gathered, some awareness on Health& Safety is provided verbally but specific trainings are not conducted. ER.1

3. Finding Status (Not Remediated)

Explanation: Trainings not conducted for Supervisors on employment functions at all. ER.17

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15, and ER.17)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Already Orientation & HS training given to all new employees & Staffs for every Month. (New joining employees & Staffs training given to next month 5 to 10 between the dates)

Planned completion date

07/25/19

PREVIOUS FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory only has written policy and procedures on Recruitment and Hiring. However, there are some systems in place for recruitment practices. The communication of recruitment procedures is managed by the HR Manager or in his absence by the Production Manager. Additionally, there is no policy for performance reviews. The factory does not conduct performance reviews at all.

2. Vacancies are announced based on factory's needs and the HR Manager and Production team interviews candidates. However, there are no written job descriptions for any positions available.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.1.3, ER.29, and ER.30)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation: Factory formed a policy on performance review on June 1, 2016 which states that increments and promotions will be based only on evaluation of efficiency. Though not defined specifically in writing, this policy would apply to sewing operators only and not for workers from other production processes like helpers, workers from finishing, washing, embroidery and printing sections. Criteria for evaluation do not include attendance, team work, discipline. Factory has not conducted performance evaluation for workers at all. ER.29, ER.30

2. Finding Status (Not Remediated)

Explanation: Job descriptions are not prepared for any position. ER.1

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.1.3, ER.29, and ER.30)

COMPANY ACTION PLANS

Action Plan no 1.

Description

All Employees Performance Review for every 6 months and review the policy.

Planned completion date

07/25/19

PREVIOUS FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. There are no written procedures for Hours of Work, but some documents or systems exist to manage practices. All employees use an electronic time recording system to record working hours. Moreover, the policy on Hours of Work only defines the factory work and break hours. The policy does not mention how working hours will be recorded, work under extraordinary business circumstances and conditions for overtime work.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.1)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

Explanation: Factory has formed written procedures on Hours of Work on June 1, 2016. Procedures define steps for recording Hours of Work using the electronic time recording system. However, there is no information on how work hours would be recorded should workers forget to bring their time cards or if time cards are damaged or lost. Policy states that in case of emergency requirement, workers would need to work overtime. Break timings during regular and overtime hours are defined. However, the "emergency requirements" and extraordinary business circumstances are not defined / explained. ER.1

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Already Manual record Maintained & Policy Review.

Planned completion date

07/25/19

PREVIOUS FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory does not provide pay for leave, as legally required. Per practice, all unused earned leaves are paid off with bonus payments during the festival period. As per local law, earned leaves can be accumulated up to 30 days. Workers are allowed one day leave for every 20 days worked, as per legal requirements; however, the factory pays off their earned unused leaves during the festival period beyond the accumulation of 30 days. Factory management states that this practice is followed to allow for more cash during the festival period since workers request for additional money as loans and advances. The payment is to be calculated based on the last wage made during the last pay period. Therefore, workers tend to lose out on earnings if all leave is paid out, since they would have earned more with wage revisions at later dates. Furthermore, if all leave is paid off, workers have no leave to use. If workers need to take leave, they must take leave without payment, which impacts their annual earnings and bonus calculations. The leave payments also impact their contributions towards social security.

2. It is mandatory to use all services the factory provides, including purchasing meals provided by the factory. There are 115 dormitory residents. While female residents pay INR 50 per day for three meals, male residents need to pay INR 64 per day for three meals.

Local Law or Code Requirement

India Factories Act 1948 on Accumulated Leave; FLA Workplace Code (Employment Relationship Benchmark ER.22.1; Compensation Benchmarks C.18; Hours of Work Benchmarks HOW.11, HOW.12, HOW.13, and HOW.14)

Recommendations for Immediate Action

1. Ensure that unused leave is accumulated as per legal requirements. Ensure that workers do not lose out on wages if they are paid for their unused leaves.

2. Ensure that workers are able to take their legally entitled leave.

3. Cease the practice of mandatory use of all services at the factory. Ensure that all workers, including dormitory residents have the option to choose if they want to purchase the factory meals.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: Factory continues to pay all earned leave (20 days) and does not accumulate leave as legally allowed. ER.22, HOW.11, HOW.12, HOW.13, HOW.14

Root Causes: Management stated that they follow the local industry practice and workers wish to receive more money during festival season. However, there are other factories in the region who have implemented legally required standards.

2. Finding Status (Not Remediated)

Explanation: Though management stated that it is not mandatory for dormitory residents to buy and eat food from the factory canteen, based on information gathered residents are required to buy food from the canteen. There is no change from past practice in terms of separate costs of food for male and female workers. Female workers need to pay INR 55.71 (US\$0.87) per day while male workers pay INR 71.42 (US\$ 1.11) per day. While female workers pay INR 18 for breakfast and dinner and INR 22 for lunch, male workers pay INR 23 for breakfast and dinner and INR 25 for lunch. Management stated that menu is same for male and female however male workers eat more hence costs is higher than female workers. C.18

Local Law or Code Requirement

India Factories Act 1948 on Accumulated Leave; FLA Workplace Code (Employment Relationship Benchmark ER.22.1; Compensation Benchmarks C.18; Hours of Work Benchmarks HOW.11, HOW.12, HOW.13, and HOW.14)

Recommendations for Immediate Action

1. Ensure that unused leave is accumulated as per legal requirements. Ensure that workers do not lose out on wages if they are paid for their unused leaves. Ensure that workers are able to take their legally entitled leave.

2. Cease the practice of mandatory use of all services at the factory. Ensure that all workers, including dormitory residents have the option to choose if they want to purchase the factory meals.

COMPANY ACTION PLANS

Action Plan no 1.

Description

This is the normal Tirupur employee's practice and requirement. It is not at all mandatory to purchase the food from factory, they are free to purchase food from outside eateries. A lot of workers are already doing the same.

Planned completion date

07/25/19

PREVIOUS FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. The factory has only a policy for Termination displayed on the notice board, but not for Retrenchment. The policy on Termination pertains to only resignation for personal reasons and does not cover other aspects which could be reasons for resignation due to any other work related concerns, such as retirement, and physical disability.
2. There are no written procedures such as methods for calculating final payouts on Retrenchment. The process is handled informally by the HR Manager without written formalized procedures. In addition, the factory does not maintain complete records on termination payouts and packages. In one case, the resignation letter and termination payouts of a worker who left are missing in her personnel file. Factory management stated that the worker did not provide a written request for termination. Thus, the resignation was accepted and processed based on the verbal request.
3. The factory only communicates its termination policy to the general workforce. The policy is posted in the local language on the notice board.
4. The factory does not arrange consultation meetings with workers or worker representatives before management reaches any final decisions on layoffs.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.16, ER.19, and ER.32)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Remediated)

Explanation: The factory formed a policy on June 1, 2015 on Retrenchment titled "Downsizing". The policy on Termination was revised on June 1, 2016 to include Retirement, Physical Disability, and Resignation.

2. Finding Status (Not Remediated)

Explanation: Procedures for calculation of compensation for termination and retrenchment is not defined. Management stated that workers who wish to resign work until the end of the wage period. They take their final wage and then stop coming in to work. Some migrant workers return to their homes. For 60 days, these workers are marked as "on leave" and thereafter their names are removed from payrolls which indicate termination of employment. Applicable bonus and wages for unused leave is not paid to these workers along with wages when they leave and no documentation is maintained for these workers. ER.19

3. Finding Status (Remediated)

Explanation: There has been no layoff at the factory therefore the factory has not communicated on Retrenchment. Policy is posted on the notice board.

4. Finding Status (Remediated)

Explanation: There have been no layoffs.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.1.2, ER.16, and ER.19)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Review policy for Retirement, Physical Disability, and Resignation. Now a days all payouts through NEFT transfer to their bank account and sometimes few staffs or few employees payouts through cheque payments.

Planned completion date

07/25/19

PREVIOUS FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory does not have any policies or procedures on Industrial Relations.

2. In July 2015, the factory formed a formal Worker Committee and a Committee to address grievances. One introductory meeting to explain responsibilities and functioning of the committees was conducted. Meetings are conducted every two months and are arranged by factory management. Members of the two Committees are representatives of workers and factory management nominated by HR department/factory management. Thus, workers do not freely elect the representatives.

3. The factory does not provide any office space for the committees.

Local Law or Code Requirement

The India Industrial Dispute Act 1947 on Workers Committee; FLA Workplace Code (Employment Relationship Benchmark ER.1; Freedom of Association Benchmarks FOA.10, FOA.11, FOA.12, FOA.13, FOA.14, and FOA.15)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: There is no policy on Industrial Relations. ER.1

2. Finding Status (Not Remediated)

Explanation: No change from earlier practice. Representatives are nominated by management. FOA.10

3. Finding Status (Remediated)

Explanation: Meetings of committees is conducted in the meeting room in the factory offices.

Local Law or Code Requirement

The India Industrial Dispute Act 1947 on Workers Committee; FLA Workplace Code (Employment Relationship Benchmark ER.1; Freedom of Association Benchmarks FOA.10)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are framing in Industrial Relationship policy and elect their committee representatives. We are already providing the hall for our employees committee meetings and will continue to do the same.

Planned completion date
07/25/19

PREVIOUS FINDING NO.7

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. There are no formal written policy and procedures defined for Workplace Conduct & Discipline. Although there have been no written disciplinary actions initiated so far, verbal warnings are given, which are however not documented. In addition, the factory does not communicate the workplace rules and regulations to the general workforce.

2. The factory does not record any warnings or disciplinary actions. In addition, there are no written procedures to appeal the disciplinary actions taken against them. However, workers can appeal according to interviews with workers.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.16.1, ER.25, and ER.27)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Partially Remediated)

Explanation: The factory formed a policy on June 1, 2015. The policy defines the disciplinary action that will take place for late arrivals, low attendance, discrimination and harassment. Procedures are not defined for workplace conduct and discipline. Verbal warnings are not documented and policy is not communicated to the workforce. ER.16, ER.25

2. Finding Status (Not Remediated)

Explanation: Management stated that no written disciplinary action has been taken so far so there are no records. There are no written procedures. ER.27

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.16.1, ER.25, and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are review the policy for workplace conduct and discipline.

Planned completion date
07/25/19

PREVIOUS FINDING NO.8

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. To report grievances, workers approach the HR manager or the factory manager directly. In addition, workers can also use the grievance/suggestion boxes. The factory has a document which states that grievances pertaining to harassment by supervisors or in case of concerns regarding wages, will be handled within seven days by the HR department. However, the factory does not have any formal written policy and procedures to address grievances based on the nature of grievances. In July 2015, the factory has formed a committee to address grievances with worker representatives from the Printing, Embroidery and Washing Departments. An introductory meeting was conducted recently to explain the functioning and responsibilities of the committee. Based on interviews with workers, workers do not have any grievances and were satisfied with the management practices.

2. The factory does not document any grievance processes in the committee meeting: Minutes of the grievance committee meetings were not documented until August 2015. The recorded minutes do not reflect any reported grievances. The documented grievance committee meeting was an introductory meeting of representatives.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.16.1, and ER.25)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: Factory has not formed a policy but there are some written procedures, however, the procedures do not define steps to report grievances against Supervisors by workers, the need for training, or the maintenance of documentation. The procedures require the employee to provide grievances in writing to the HR Team, who will revert to the Supervisors and address the concern within 2 days. If the Supervisor is unable to address the grievance, he would approach the Production manager who will address the grievance within 7 days and will communicate to the worker. ER.16, ER.25

2. Finding Status (Not Remediated)

3. Explanation: Management could not provide the record for meetings of the grievance committee for review and stated that no records are maintained and no grievances are reported. ER.2, ER.25

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.2, ER.16, and ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are maintaining Grievance Record and Communicate to all employees.

Planned completion date

07/25/19

PREVIOUS FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Factory has a written policy on environmental protection; however, the policy does not have a statement to minimize its impact on air emissions, wastes and hazardous materials. There are no written procedures on environmental protection. The factory does not have any environmental protection program; hence, there is no communication on environmental protection to the general workforce.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1, ER.17, ER.31.1, and ER.31.2; Health, Safety & Environment Benchmarks HSE.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Visual motivation pictures & awareness training to all employees

Planned completion date

07/25/19

PREVIOUS FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not provide any secondary containers for chemicals in the chemical storage areas in the washing and printing sections.
2. There are no explosion proof lights provided in chemical storage areas (washing section /dyes and pigments section).
3. Spill response kits have not been provided in the vicinity of areas where chemicals are stored, handled or used.
4. The factory does not conduct an environmental impact assessment.
5. Solid waste is stored away from main production areas; however, stored solid waste is not stored in an enclosed area with restricted access.
6. The factory does not label any hazardous waste containers, such as the sludge tank. Generated sludge is kept lying in the sludge tanks in the sewage treatment area located near the male dormitories. The sludge is pending for disposal and the factory does not send hazardous waste to a licensed handler, as legally required.
7. The stack pipe is a pipe attached to the boiler and power generators to release smoke. According to legal requirements, the stack pipe is to be installed at a legally required height and to be tested for quality and quantity of air emissions. However, the factory does not maintain any stack pipe monitoring reports for the boiler and the stack pipes for three power generators located outside production areas in a separate area. In addition, the factory does not conduct any tests for stack pipes to monitor noise levels and air quality.
8. Based on the findings of the permit issued for the control of air pollution, the factory has not monitored noise and maintained ambient air quality reports.
9. The factory did not apply for a permit for soil or groundwater contamination from the authorities.
10. No environmental emergency response system is in place.
11. Wood waste (boiler area), domestic waste (dormitories) and residue of domestic consumable items (staff quarters) are burned in the open outside the dormitory building and near the boiler.

Local Law or Code Requirement

The India Hazardous Waste Management and Handling Rules (1989), Article 4, Column 3; India Environmental Protection Act (1986), Section 7; Tamilnadu Panchayats Act 1994, Section 160; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.5.4, and HSE.9.1; Employment Relationship Benchmark ER.31.3)

Recommendations for Immediate Action

1. Ensure that chemical containers are provided with secondary containers.

2. Install explosion-proof lighting in chemical storage/handling areas.
3. Ensure that spill response kits are provided to mop-up spills.
4. Conduct an environmental impact assessment. Install an effective monitoring system for environmental protection.
5. Designate an area to store solid waste and ensure that access is restricted.
6. Label all hazardous waste containers, such as the sludge tank. Arrange for a licensed handler to dispose hazardous waste, as legally required.
7. Establish a system to monitor and maintain the stack pipes of the boiler and three power generators and ensure that monitoring reports are maintained, including tests for noise and air quality.
8. Establish a system to monitor and assess noise and air quality levels throughout the factory, as required by the permit issued for the control of air and noise pollution. Conduct the tests for noise/ air quality and maintain reports.
9. Apply for the permit for soil or groundwater contamination.
10. Establish an effective environmental emergency response system.
11. Ensure that waste is not burned on site. Dispose waste through recyclers or incinerator.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: There is a written policy dated June 1, 2015 which states that practices "convenient for factory" will be followed as per legal requirement without effecting the environment. It states that sub-contractors and employees will be made aware about environmental protection, however, it does not define steps to communicate these policy and procedures to subcontractors and employees. There is no written procedure for identification, storage or disposal of waste. ER.17, ER.31, HSE.1

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.17, ER.31.1, and ER.31.2; Health, Safety & Environment Benchmarks HSE.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are making policy for above findings.

Planned completion date

07/25/19

PREVIOUS FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has a written policy on Health & Safety. Although the policy refers to legal requirements, the factory is not aware on FLA Workplace Code benchmarks. There are no written procedures for enabling an implementation program; however, some safety guidelines are included for guidance of the workforce, such as PPE requirements and maintaining sanitary conditions at the workplace. In addition, the factory does not communicate on Health & Safety to the general workforce. Moreover, there are no procedures, which

protect workers against retaliation for raising Health & Safety concerns. Moreover, the factory does not have any measures to protect the reproductive health of employees through minimizing exposure to workplace hazards.

2. There are no steps for reporting injuries, illnesses, and other Health & Safety issues in addition to missing contact information for medical assistance or in case of an emergency.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmark HSE.12; Nondiscrimination Benchmarks ND.8)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: No changes have been made to the earlier written procedures. [ND.8, HSE.12]

2. Finding Status (Partially Remediated)

Explanation: Written steps for reporting injuries, illness and other Health & Safety issues is not available. Contact information for medical assistance or emergency is posted. [ER.31]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety, and Environment Benchmark HSE.12, Nondiscrimination Benchmarks ND.8)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are making Review policy with FLA benchmarks & Local legal standards.

PREVIOUS FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There are no recorded trainings on usage and benefits of wearing PPE.

2. The factory does not provide workplace safety trainings.

3. No trainings are conducted on maintenance safety.

4. No employees are trained on specific duties in case of an fire emergency.

5. Material Safety Data Sheets (MSDS) are maintained in files in English instead of the local language by the personnel who is responsible to store chemicals; however, MSDS sheets are not posted in the area of chemical usage, such as the washing and printing sections. In addition, chemical containers are posted with names of contents in English only instead of the local language. No hazard labels are posted at all.

6. MSDS are maintained in files and are kept in the custody of section heads, for example MSDS for chemicals used in the washing area

with the managerial staff of the washing section and workers have no access to MSDS in this section. In addition, workers also do not have access to MSDS for chemicals used in the Printing and in the effluent treatment plant area.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5.4, HSE.6, and HSE.14.2)

Recommendations for Immediate Action

1. Post all Material Safety Data Sheets and labels with information on hazards for all chemicals in the local language in the vicinity where chemicals are stored/used/handled.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: The factory has records of training on PPE that show training is conducted once every two months (March 14, 2017, May 8, 2017 and July 7, 2017). The first and second topics pertain to use of masks and head caps and other topics talk about securing scissors and matters pertaining to fire safety, first aid, machine safety and ergonomics. Management claimed that all workers have been trained, however there were only 15 worker signatures for each training; management agreed that all workers do not sign on the records. Based on interviewed workers, no worker has received this training and the signatures might have been obtained just for documentation purposes. [HSE.8]

2. Finding Status (Not Remediated)

Explanation: Training records on workplace safety reflect trainings being conducted once every two months (March 13, 2017, May 23, 2017 and July 31, 2017). Names of fifteen workers are recorded on each of the three dates however none had signed the attendance list to confirm participation. The first and second topics state that workers from fabric, ironing and packing department should use their "safety device" however "safety device" referred to is not specified. Maintenance workers and workers from washing, printing and canteen are not included. Further topics listed, refers to fire safety and use of first aid kits. Management claimed that all workers have been trained though they don't sign on attendance sheets. Based on interviewed workers, no worker has received this training. [HSE.14]

3. Finding Status (Not Remediated)

Explanation: No training is conducted for maintenance safety. [HSE.14]

4. Finding Status (Not Remediated)

Explanation: No training is provided to employees with specific responsibilities during fire emergency. [HSE.6]

5. Finding Status (Partially Remediated)

Explanation: MSDS is posted in chemical storage areas in Washing and Printing sections. Labels on some chemical containers is posted in English and missing on some. Hazard labels are not posted at all. [HSE.10]

6. Finding Status (Not Remediated)

Explanation: MSDS is not available in chemical usage areas in Washing and Printing sections and near effluent treatment plant. [HSE.10]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.6, HSE.8, HSE.10, and HSE.14.2)

Recommendations for Immediate Action

1. Provide trainings on use of PPE.
2. Provide trainings on workplace safety.
3. Provide trainings for maintenance team.
4. Provide training to designated employees on specific duties for fire emergencies.
5. Post hazard labels on chemical containers
6. Post MSDS in local language in chemical usage areas.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Already above trainings giving to all employees.

Planned completion date

07/25/19

PREVIOUS FINDING NO.13

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. All workers in the washing and boiler area are using Personal Protective Equipment PPE, when observed during a facility tour. However, the site was re-visited next day and 3 out of workers from the washing and boiler area were not using PPE, such as gloves, respiratory masks, aprons, safety goggles and gum boots.

2. No safety instructions have been posted on or near cutting machines, embroidery machines, printing machines and washing machines /tumble dryers.

3. The factory does not provide sitting workers with backrests facility.

4. Cooks and food handlers do not use Personal Protective Equipment PPE, such as head caps, hand gloves, aprons and face masks and do not follow the legally required hygiene and maintenance rules, such as leaving raw ingredients in the open, not appropriately storing products and not removing oil stains from walls.

5. Although rubber gloves as Personal Protective Equipment PPE and insulated equipment have been provided to maintenance employees, no documented training has been provided.

6. No fall protection equipment, such as safety belts and harness are available in the factory.

Local Law or Code Requirement

Factories Act 1948, Section 7 A (2b); FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.7, HSE.19, and HSE.22)

Recommendations for Immediate Action

1. Ensure that all workers use Personal Protective Equipment PPE at all times, including canteen staff, maintenance staff and workers from the washing and boiler area. Regularly train and communicate workers on the requirements to use PPE.

2. Post safety instructions in local language near all applicable machines.

3. Provide all eligible workers with proper PPE, including fall protection equipment.

4. Ensure that all canteen staff are trained on hygiene and sanitary maintenance.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: (Partially Remediated)

Explanation: Workers in the washing areas were using PPE however all PPE (gloves, apron and shoes) used by all eight workers seen in the area appeared new and fresh. Boiler operator was not using any PPE. Due to the heat in the boiler area, the worker had removed his shirt and was working with minimum clothing. [HSE.7]

2. Finding Status (Not Remediated)

Explanation: Safety instructions are not posted near machines in Cutting, Washing, Printing and Embroidery departments. [HSE.14]

3. Finding Status (Not Remediated)

Explanation: Workers with sitting jobs were sitting on hard stools with no back rest. [HSE.17]

4. Finding Status (Not Remediated)

Explanation: Cooks and food handlers in the canteen kitchen were not using PPEs like nose covers, hand gloves, hair caps and aprons). Cooking areas were dirty with walls stained from black smoke and Oil. Raw and cooked food was left open and not kept covered. Insect repellent is not installed. Dining areas are not well ventilated and windows were kept closed. [HSE.7, HSE.19, HSE.22]

5. Finding Status (Not Remediated)

Explanation: Training is not provided to maintenance workers. [HSE.8, HSE.14]

6. Finding Status (Not Remediated)

Explanation: Fall protection equipment like helmet, safety belt and harness is not available in the factory. [HSE.7]

Local Law or Code Requirement

Factories Act 1948, Section 7A(2b); FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.7, HSE.8, HSE.14, HSE.19, and HSE.22)

Recommendations for Immediate Action

1. Ensure that all workers use PPE at all times, including canteen staff, maintenance staff and workers from the washing and boiler area. Regularly train and communicate workers on the requirements to use PPE.
2. Post safety instructions in local language near all applicable machines.
3. Provide all eligible workers with proper PPE, including fall protection equipment.
4. Ensure that all canteen staff trained on hygiene and sanitary maintenance.
5. Provide chairs with backrest for workers with sitting jobs.
6. Provide fall protection equipment for use in factory.

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are making New policy for PPE instructions, Safety instruction pasting to all areas and provide equipment's also.

PREVIOUS FINDING NO.14

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not conduct a fire risk assessment has been conducted at all.
2. No personnel have been designated to help workers in evacuation process in case of a fire emergency. No fire suits/other fire fighter's equipment are available for fire fighters, such as fire axe, fire proof blankets, roller shutter cutter, fire beater sticks, and sand shovels.
3. The factory does not have marked aisles in the washing section, dining hall above male dormitory and in accessories stores.
4. Fire alarms can only be activated manually and have been provided separately for each production building and dormitory. These fire alarms cannot be centrally activated.
5. In the male dormitory, only two fire extinguishers were installed insufficient for the size of the male dormitory areas: The male dormitory has 11 rooms and one hall (in which approximately 50 workers live). In addition, these fire extinguishers are installed between three blocks in 2 corridors, which are hardly visible from outside as corridors are very narrow (approximate 4 feet wide).

Local Law or Code Requirement

Factories Act 1948, Tamilnadu Factory Rules, Section 38 (a)(b); FLA Workplace Code (Health, Safety & Environment Benchmark HSE.25)

Recommendations for Immediate Action

1. Conduct a fire risk assessment to assess fire hazards.
2. Develop a fire evacuation plan, including the designation of relevant personnel to help in the evacuation process. Provide proper fire fighting equipment to the fire fighters.
3. Mark all aisles throughout the factory, including the washing section, dining hall above the male dormitory, and the accessories stores.
4. Install a centralized fire alarm system throughout the whole factory.
5. Install an appropriate number of fire extinguishers in the male dormitory and ensure that they are visible from a distance.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: Fire risk assessment has not been conducted. [HSE.5]

2. Finding Status (Not Remediated)

Explanation: There are no designated workers to assist other workers during an emergency evacuation. No firesuits/other firefighter equipment are available for firefighters, such as fire axe, fireproof blankets, roller shutter cutter, fire beater sticks, and shovels. [HSE.5]

3. Finding Status (Remediated)

Explanation: Aisles are marked in washing section, Canteen, Dormitories and in accessories store.

4. Finding Status (Partially Remediated)

Explanation: Fire Alarm system is installed throughout the factory however the alarm could be activated from only three out of eleven activation points, tested at random during the factory tour. [HSE.5]

5. Finding Status (Not Remediated)

Explanation: No change is made with the arrangement in provision of additional extinguishers and location of fire extinguishers in the male dormitories. [HSE.5, HSE.25]

Local Law or Code Requirement

Factories Act 1948, Tamil Nadu Factory Rules, Section 38(a)(b); FLA Workplace Code (Health, Safety & Environment Benchmark HSE.5 and HSE.25)

Recommendations for Immediate Action

1. Conduct fire risk assessment to assess fire hazards.
2. Develop a fire evacuation plan, including the designation of relevant personnel to help in the evacuation process. Provide proper fire fighting equipment to the firefighters.
3. Ensure fire alarms are maintained in working conditions at all times.
4. Install an appropriate number of fire extinguishers in the male dormitory and ensure that they are visible from a distance.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Provide firefighting equipment's and conduct risk assessment also. Fire alarm system already maintained and proper records also maintained.

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has not conducted any Health & Safety risk assessments in order to identify hazards related to workplace and working conditions.
2. There is no alarm notification system to alert workers in chemical storage areas in case of a chemical emergency, such as accidental chemical leakage or chemical fires.
3. Asbestos sheets used as a material to harden cement sheets have been used in the roofing of the washing and manual printing sections. In addition, asbestos is also used in the roofing of the kitchen at the common workers' canteen. No labeling has been done to indicate the presence of asbestos containing material in the factory.
4. Although workers wear wearing ear plugs, the factory does not conduct any audiometric tests for workers exposed to high noise in the computerized embroidery and power generator sections.
5. Employees/visitors bring their private vehicles into the work premise, such as motorcycles and cars to commute to the factory. These private vehicles are parked in a parking area away from the production building within the factory compound. In addition, cargo vehicles come in the premises to pick-up/deliver cargo. However, the factory does not have a sufficient vehicle management in place, such as indicators, convex mirrors or reflectors. In addition, the factory does not keep any maintenance records for its cargo vehicles. In the absence of maintenance records for factory cargo vehicles, their condition could not be verified.
6. If an electrical equipment is identified with an problem, the factory does not remove the machine from service until repairs are done. Only Lock-out system has been implemented. Tag-out is not introduced.
7. The ladders and stairs in the effluent treatment plant area are not equipped with handrails. In addition, the raw effluvia collection tank/aeration tank is also not equipped with handrails, which are needed to avoid accidental falls.
8. Some of the ladders (made of bamboo used to reach top of small rooms) are movable type and cannot be fixed. This creates fall hazards for users.
9. There is no safety manual or work permit system in place for external contractors, such as welding workers, window cleaners and workers for electrical repairs.

Local Law or Code Requirement

India Factories Act (1948), Section 7A (2b), Section 32(a), and Section 38(1b-2); FLA Workplace Code (Employment Relationship Benchmark ER.31; Nondiscrimination Benchmark ND.8; Health, Safety & Environment Benchmarks HSE.1, HSE.2, HSE.5.4, HSE.6, HSE.7, HSE.9.1, HSE.9.2, HSE.12, HSE.14.1, HSE.14.2, HSE.19, HSE.22, and HSE.25)

Recommendations for Immediate Action

1. Conduct a risk assessment.
2. Install an alarm in the chemical storage area.
3. Discontinue the use of asbestos sheets. Ensure that all areas are labeled and equipped with warning signs where asbestos has been used.
4. Ensure that audiometric tests are conducted for all workers that are employed in areas with high noises.
5. Introduce traffic and vehicle management throughout the factory.
6. Immediately fix all ladders and equip them with handrails. Replace dangerous bamboo ladders with fixable ladders to prevent fall hazards.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: Risk assessment has not been conducted for Health & Safety in order to identify hazards related to workplace and working conditions. [HSE.4]

2. Finding Status (Partially Remediated)

Explanation: An alarm is installed in chemical storage areas however the sound is similar to that of fire alarm installed in the factory. [HSE.5]

3. Finding Status (Not Remediated)

Explanation: Areas where asbestos sheets are used are not labeled. [HSE.9, HSE.19, HSE.22]

4. Finding Status (Not Remediated)

Explanation: Audiometric test is not conducted for workers in embroidery section, boiler and power generator operators. [HSE.4]

5. Finding Status (Not Remediated)

Explanation: Vehicle management system is not implemented inside the factory. Traffic lanes and walk paths are not marked, speed breakers, convex mirrors and reflectors are not installed. Maintenance records for cargo vehicles were not available to verify condition of vehicles. [HSE.14]

6. Finding Status (Not Remediated)

Explanation: Machines requiring repairs are moved out of service until repairs are completed. Lock out – Tag out system is not implemented. [HSE.14]

7. Finding Status (Partially Remediated)

Explanation: Ladders in effluent treatment plant are equipped with hand rails. Aeration tank does not have any fence / handrail to prevent accidental falls. Ladders installed against walls on two buildings do not have hand rails and fall protection. [HSE.6]

8. Finding Status (Remediated)

Explanation: Bamboo ladders were not seen in use.

9. Finding Status (Not Remediated)

Explanation: There is no safety manual or work permit for external contractors for any construction or cleaning works. [HSE.4]

Local Law or Code Requirement

India Factories Act (1948), Section 7A (2b), Section 32(a), and Section 38 (1b-2); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.4, HSE.5, HSE.6, HSE.7, HSE.9, HSE.14, HSE.19 and HSE.22)

Recommendations for Immediate Action

1. Conduct a risk assessment.
2. Install an alarm with separate sound than fire alarm in the chemical storage area.
3. Discontinue the use of asbestos sheets. Ensure that all areas are labeled and equipped with warning signs where asbestos has been used.
4. Ensure that audiometric tests are conducted for all workers that are employed in areas with high noises.
5. Introduce traffic and vehicle management throughout the factory.
6. Implement LOTO arrangement.
7. Immediately fix all ladders and equip them with handrails.
8. Develop safety manual for contractors.

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are solving above topics immediately.

PREVIOUS FINDING NO.16

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The canteen kitchen area was not clean and hygienic. Oil stains and poor ventilation was noted in this area.
2. The factory hired new canteen service providers (the previous service provider left) 15 days prior to the assessment; however, the factory did not conduct any legally required health checks for the newly hired canteen staff.
3. The childcare facility was not operational as no children are brought to the childcare facility since workers prefer to leave their children with the elders at home.

Local Law or Code Requirement

Factory Rules 1948, Sections 46 and 49; FLA Workplace Code (Health, Safety & Environment HSE.19)

Recommendations for Immediate Action

1. Ensure that the canteen kitchen is maintained cleaned and hygienic. Provide adequate ventilation.
2. Ensure that health checks are provided for all canteen staff, including cooks and servers, as per local law requirements.
3. Ensure that workers are encouraged to bring children and use the childcare facility.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status (Not Remediated)

Explanation: Canteen kitchen was very dirty with black smoke and oil stains on walls. Areas surrounding the kitchen were dirty with waste material (plastics and paper, used oil cans) left in the open. [HSE.19]

2. Finding Status(Remediated)

Explanation: Health checks have been conducted for all canteen workers.

3. Finding Status (Not Remediated)

Explanation: Child care facility is not provided. Common room with a TV used by residents located in female dormitory is designated as a child care room. HSE.27

Local Law or Code Requirement

Factory Rules 1948, Sections 46 and 49; FLA Workplace Code (Health, Safety & Environment HSE.19 and HSE.27)

Recommendations for Immediate Action

1. Ensure that the canteen kitchen is maintained cleaned and hygienic.
2. Provide child care facility and encourage workers to bring children and use the child care facility.

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are maintaining records for canteen cleaning and awareness given to all women workers

PREVIOUS FINDING NO.17

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

Explanation: Worker integration is missing across all employment functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Review the policy related to above topics.

PREVIOUS FINDING NO.18

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory has not developed policies and procedures on review process to ensure updates are made according to local law and FLA Workplace Code requirements. As a result, they have not conducted internal reviews for the following Employment Functions: Retrenchment, Industrial Relations & Freedom of Association, Grievance Systems, Workplace Conduct & Discipline; Environmental Protection, and Health & Safety.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.30, and ER.31)

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

Explanation: Policies on Recruitment & Hiring, Wages & Benefits, Workplace conduct and Discipline, Grievance systems and Health & Safety were formed on June 1, 2015. Policies on Hours of work, Termination & Retrenchment, Freedom of Association and Environment were formed on June 1, 2016. Review period is not defined at all for the policies. [ER.1, ER.30, and ER.31]

COMPANY ACTION PLANS

Action Plan no 1.

Description

Review the policy related to above topics.

New Findings and Action Plans

NEW FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Most exit doors in the facility open inwards. HSE.5
2. Emergency lights are not installed above side exits in the cutting section, two exits in the Printing section, two exits in the dining area, main exits in the male and female dormitories, exits in the finishing section, and screen making area. The following emergency lights are not industrial type therefore would not be effective in case of smoke: near the main exit in the fabric store, the printing section, the embroidery section, and in dormitories. These were not functional when tested. Emergency lights, fire alarm and fire extinguishers are not installed in the male dormitory located outside the factory compound. HSE.5
3. Evacuation drills are not conducted in the dormitories. Currently 60 female and 130 male workers reside in the dormitories. HSE.5, HSE.25
4. Fire alarms were not activated in three out of eleven switches tested at random. HSE.5,

Local Law or Code Requirement

Factories Act 1948, section 7 and FLA workplace Code (Health, Safety and Environment Benchmarks HSE.5, HSE.25)

Recommendations for Immediate Action

1. Realign exit doors to open outwards.
2. Install emergency lights above exits in the cutting section, two exits in the Printing section, two exits in the dining area, main exits in the male and female dormitories, exits in the finishing section, and screen making area. Replace all emergency lights with industrial type lights. Ensure emergency lights are in working conditions at all times. Install emergency lights, fire alarm and fire extinguishers in the male dormitory located outside the factory compound.
3. Conduct evacuation drills periodically in the dormitories.
4. Ensure fire alarm is functional at all times.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Already Fire alarm worked and records maintained, Already evacuation drills conducted in both dormitories.

NEW FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Gloves in first aid kits are kept in open packets instead of being kept in sterilized sealed packets. HSE.18

Local Law or Code Requirement

Factories Act 1948, section 8 and FLA workplace Code (Health, Safety and Environment Benchmark HSE.18)

Recommendations for Immediate Action

1. Gloves should be kept in sterilized sealed packets. Once used, gloves should be disposed and not reused.

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are making first aid box user manual.

NEW FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Cost of items sold in the canteen, which includes meals, snacks, beverages, and fruits, is not displayed as legally required.HSE.1
2. Female dormitories are maintained clean however male dormitories are very poorly maintained. In one hall approximately 50 workers reside together. This hall was previously used as a dining hall and has been converted to sleeping area. Beds, mattresses and pillows are not provided. Workers sleep on mats and bed sheets on the floor. Lockers are not provided for workers to store their belongings. Lighting is poor and rooms are not well ventilated at all, though fans are provided. Toilets in the female dormitories are well maintained however those in male dormitories are poorly maintained. Doors are either damaged or missing on most stalls.HSE.20, HSE.25

Local Law or Code Requirement

FLA Workplace Code (Health, Safety and Environment Benchmark HSE.1, HSE.20, HSE.25)

Recommendations for Immediate Action

1. Display costs of food items sold in the canteen.
2. Provide beds, mattress, pillows and storage cupboards for workers in the dormitories. Improve living conditions to reduce risk to health of workers. Repair and install doors on the toilets in male dormitories.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Already price list displayed. All above findings rectified.

NEW FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Covers on few confined spaces were seen damaged and partially broken, this can cause injury by tripping.HSE.1
2. Ladders installed against two buildings do not have hand rails or fall protection installed. Hand rail or fence is not installed near aeration tank. Workers who use these ladders are not provided with any PPE. HSE.7

Local Law or Code Requirement

Factories Act 1948, Section 7; FLA Workplace Code (Health, Safety and Environment Benchmark HSE.1 and HSE.7)

Recommendations for Immediate Action

1. Replace damaged covers on confined spaces and mark these areas to warn workers.
2. Install hand rails and fall protection on ladders attached to buildings and a fence on the aeration tank to prevent accidental fall. Provide these workers with proper PPE.

COMPANY ACTION PLANS

Action Plan no 1.

Description

ready PPE things given to above set workers and all damaged manuals cleared.

NEW FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Wages payable is not reflected in employment contracts issued to workers.ER.2
2. Employment contracts signed by migrant workers are in local language (Tamil) and not in a language (Hindi) spoken and understood by the migrant workers. ER.2
3. Date of birth as per proof submitted as the National Identity card and as recorded in employment documents does not match. For example, one worker's date of birth as per proof submitted is April 3, 1997 however in employment documents, the date reflected is June 19,1997. Another worker's year of birth as per proof submitted is 1967 however employment documents reflect date of birth as July 16, 1996 and date of hiring as 2013. Picture on national identity card and picture maintained in employment documentations, she appears to be above 40 years. Discrepancies were found in 11 out of 40 sampled files reviewed.
4. Date of birth recorded in various legal documents maintained by factory is inconsistent. For example, one worker's Nomination of Employee states Insurance scheme reflects worker's date of birth as November 6, 1969, nomination form for Provident fund states a date of birth of June 11, 1969 and service record reflects the date of birth as September 7, 1972. Incorrect dates may result in worker losing legal benefits.ER.2
5. Appointment letters are not issued to workers though management claims that letters are issued. ER.2
6. Signature of employer was missing on legal documentation (nomination forms for Insurance and Provident fund)

though these are signed by the worker in 10 out of 40 samples reviewed.ER.2

7. As noted from 2 out of 40 samples reviewed, factory has hired workers less than 18 years but have not obtained certificate of fitness to work as legally required prior to hiring workers less than 18 years of age. These workers work same number of hours as adults which is a legal violation. For example, for one worker, date of birth as per school leaving certificate and national identity card of the worker is June 26, 2000 and the worker was hired on May 24, 2017. Another worker's date of birth as per national identity card is January 1, 2000 and was hired on May 24, 2017 and is a migrant worker. Both workers are less than 18 years and are not adults. Appointment letters and related employment documents are signed by the workers but not the management representatives. Worker # 2 does read or understand the local language but has signed the appointment letter (contract with terms of employment) which is in the local language.ER.2, ER.4, CL.4, CL.6, HOW.4

Local Law or Code Requirement

Factories Act 1948, section 9; Industrial Employment (Standing Orders) Act 1946, (Appointment letter) and FLA Workplace Code (Employment Relationship Benchmark ER.2.1, ER.4; Child Labor Benchmarks CL.4, CL.6; Hours of Work Benchmarks HOW.4)

Recommendations for Immediate Action

1. Record wages payable in appointment letters.
2. Provide employment contracts and wage slips for migrant workers from eastern part of the country in a language (Hindi) spoken and understood by these workers.
3. Maintain accurate records on date of birth of workers in employment documents and nomination forms for legal benefits.
4. Issue appointment letters to all workers.
5. Management representative should sign on all employment documents prior to obtaining signature of workers and not left unsigned.
6. Obtain certificate of fitness to work when hiring workers less than 18 years. All documentation must be maintained on file.

COMPANY ACTION PLANS

Action Plan no 1.

Description

We will follow all records ethically.

NEW FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. Payment of terminal dues could not be verified in absence of related records so assessors could not confirm if payments were made in full. Management stated that wages until last day of work is paid when workers leave however wages for unused leave and bonus is paid in during the festival period every year which is usually in October. Notice for payment is posted 10 days prior to date of payment. Migrant workers who may have left are intimidated through other migrant workers from the region who are working in the factory. Workers who come are paid the dues and for those who don't come, the amount is kept in the factory office. As a systematic practice, factory does not ensure complete and timely payment as legally required. ER.22
2. Leaves are not provided to workers. If they don't report for work, they are marked absent and wage is not paid. Wages for earned leave of 20 days is paid along with yearly bonus during festival holidays. ER.22, C.4
3. Per current practice, coupons (in 3 different colors – each for breakfast, lunch and dinner) in form of booklets are available with canteen service provider and workers need to buy the booklet in advance. A coupon is required to be presented for each meal and the date is recorded on the coupon. If a worker decides to skip a meal, the amount charged for that particular meal (breakfast, lunch or dinner) is not reimbursed unless he/she skips all 3 meals. C.11
4. Bonus is calculated from October to September and not on financial year April to March as legally required. C.5

Local Law or Code Requirement

Industrial Employment (Standing Orders) Act, 1946, section 13, Termination of employment (3); Payment of Bonus Act, 1965 (mode and time limit for payment of bonus); FLA Workplace Code (Employment Relationship Benchmark ER.22; Compensation Benchmarks C.4, C.5, and C.11)

Recommendations for Immediate Action

1. Maintain all documents pertaining to payment of terminal dues and pay terminal dues with legally defined timelines.

2. Provide leave to workers as legally required.
3. Review practice and ensure workers don't pay for services not utilized.
4. Revise calculation of bonus to accounting year (April to March) as legally required.

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are followed CSR (corporate social responsibility) form for all employees. Already awareness given to employees (above 2 and 4 points) but workers is not satisfied. 3 point findings already rectified.

NEW FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. Clause no. 2 in the policy reflects working hours from 08.30 hours to 17.45 hours. Clause c under "process to download record" reflects work hours from 08.30 hours to 20.00 hours states that workers should swipe "in" between 08.20 hours and 08.30 hours and swipe "out" between 20.00 hours and 20.10 hours. This indicates that overtime hours is compulsory, however, it was confirmed by workers that overtime is voluntary. HOW.8
2. Management stated that if production quantity is 30,000 to 40,000 pieces per month, production is planned for 8 hours a day. If the quantity exceeds 40,000 pieces, production is planned for 10 hours a day.HOW.8
3. Time records prior to July 2017 were not available. Management stated that software got infected with virus and data was lost. ER.2

Local Law or Code Requirement

Factories Act 1948, Maintenance of registers and records; FLA Workplace Benchmarks (Employment Relationship Benchmarks ER.1 and ER.2; Hours of Work Benchmark HOW.1 and HOW.8)

Recommendations for Immediate Action

1. Review and revise policy to ensure working hours do not include overtime hours.
2. Production planning should be calculated based on 8 hours of regular work.
3. Ensure time records are maintained and available for last 12 months.

COMPANY ACTION PLANS

Action Plan no 1.

Description

We will follow all records ethically for above points.

NEW FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. Juvenile workers work 10 hours a day which is in violation of law. ER.14, HOW.4

Local Law or Code Requirement

Recommendations for Immediate Action

1. Ensure workers less than 18 years of age do not work beyond legally allowed limits unless certified to work as adults.

COMPANY ACTION PLANS

Action Plan no 1.

Description

We are making New policy and maintain all records to above findings. (Now no employees in below 18 years)

NEW FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. Under Resignation Clause no. 7, workers who work for a minimum of 240 days will be eligible for earned leave and bonus and clause no 8 states that workers are eligible for bonus if they work for at least 30 days. Clause no. 9 states that if workers work a minimum of 5 years, they are entitled to earned leave, gratuity and bonus. From the above 3 clauses it is unclear if a worker is entitled to bonus after working 240 days or 30 days or 5 years and to earned after working for 240 days or 5 years (from clauses 7 & 9). ER.2
2. There is no documented evidence of workers resigning like resignation letters. Communication on intent of resignation is verbal. ER.27

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Minimum 30 days in one calendar year we are paid bonus and EL also. Now all payouts through NEFT to employees own account.

NEW FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. Committee for Prevention of Harassment does not follow or fulfill legal guidelines. The Committee has not been renamed as the "Internal Complaint Committee" and the Presiding officer has not been identified, as required by law. H/A.1
2. Penal consequences of harassment is not posted or communicated as legally required. It is also not in any policy or procedures document. H/A.1

Local Law or Code Requirement

Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013; FLA Workplace Code (Harassment and Abuse Benchmark H/A.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Already Harassment committee meeting is conducted by NGO from 28.07.2016 onwards. We are ICC also.