



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



Verification Assessment

COMPANIES: Nike, Inc
COUNTRY: India
ASSESSMENT DATE: 10/23/17
ASSESSOR: FLA EMEA
PRODUCTS: Footwear
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

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. Workers do not receive any written documentation that substantiates all the issues covered during the orientation training, including the Workplace rules and disciplinary procedures. [ER.15.3]
2. The factory has a probation period for 18 months, which is not in violation to the country's legal provisions and employees are not deprived of any entitlements/benefits at the facility, such as Provident Fund, leave, and advances. However, this is not in compliance with the FLA Code and benchmarks stating that the probation period should not exceed three months. [C.3, ER.1]

Local Law or Code Requirement

Industrial Employment (Standing Orders) Act 1946 on Probation Period; FLA Workplace Code (Compensation Benchmark C.3; Employment Relationship Benchmark ER.1, ER.15, and ER.30)

Recommendations for Immediate Action

1. Ensure that the probation period does not exceed 3 months, as per FLA Benchmarks.

VERIFICATION RESULT

Finding Status

Not Remediated

Remediation Details

1. Finding Status: Not Remediated

Explanation:

Based on worker interviews and management interviews it was found that workers do not receive any written documentation that substantiates all the issues covered during the orientation training. [ER.15.3]

Root Causes: Management stated that they conduct tests to confirm understanding of issues covered during the orientation program and hence do not provide any other document.

Management is aware of the FLA Benchmarks and feels that adequate information is shared to workers; therefore

written documentation does not need to be provided.

2. Finding Status: Not Remediated

Explanation:

Based on management interviews and documentation review, it was found that probation period is six months training period plus another 12 months after that six months. This does not comply with legal requirements of probation. [C.3, ER.1]

Root Causes:

Management stated that they had revised the period from 18 months to 12 months as per standing orders. They were not aware of the legal requirement (which was shared during this assessment) and they followed the standing orders.

Local Law or Code Requirement

Industrial Employment (Standing Orders) Rules 1946 on Probation Period; FLA Workplace Code (Compensation Benchmark C.3; Employment Relationship Benchmark ER.1 and ER.15)

Recommendations for Immediate Action

1. Provide written documentation for all issues covered in the orientation program.
2. Ensure that the probation period does not exceed 3 months, as per FLA Benchmarks and legal requirements.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Currently we started to issue the handbook to the new joiners and we have planned to cover the same to the existing employees. Refer Attachment- 1.1 Employee Handbook. 2. Based on our system, we identified the minimum number of months that needs for probation period as 6 months and training period as 12 months and based on that we revised in our standing order. Refer Attachment- 1.2 Standing order

Company Action Plan Update

1: Factory has provided the handbook to the new joiners and also for existing employees issued 4200 handbook on December 2018. As per practice currently providing hand book for the new employees during the induction orientation programme Refer Attachment- 1.1 Employee Handbook.

2. The probation period has been changed to three months from 1st April 2020.

<!--[endif]-->

<!--[endif]--><!--[endif]-->

last updated on 30th April 2020

PREVIOUS FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory loans money to employees for higher education. These are interest free loans given to workers for submitting the fees for any higher education that they want to pursue. The loans are repaid through deductions in the form of installments from their salaries. However, the factory at times starts deductions from the salary even before the education loan is being given. For example, an education

loan was awarded in the month of August 2015, but the first deducted installment to pay back the loan was deducted from July's monthly salary onwards. Thus, workers are only aware about the amount of the deducted installments for the education loan but not about the start date of the deduction since there are no written procedures in place.

Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.11)

Recommendations for Immediate Action

1. Draft a clear policy and procedures for the factory's financial assistance program, such as interest-free loans for higher education. Ensure that loan installment deductions are only deducted from workers' salary once the loan amount was given to the respective worker. Ensure that the procedures include the exact dates when deductions are made.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

Factory has a written policy on the practice. Based on management and worker interviews it was found that deductions are made in equal installments after the month of loan disbursement.

PREVIOUS FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory does not periodically review and update its policies and procedures for all Employment Functions according to changes in local law and FLA Code and internal/external audit results, such as Recruitment, Hiring & Personnel Development, Hours of Work, Compensation, Workplace Code & Discipline, Grievance System, Health & Safety, Termination & Retrenchment, Environmental Protection, and Industrial Relations & Freedom of Association. Management does not have a formal and defined review system for the Company policies and procedures. In addition, there is no signature by management on the available company policies and procedures. [ER.1, ER.29, ER.31]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, and ER.30)

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation:

Based on management interviews and documentation review, it was found that factory does not periodically review and update its policies and procedures. Management does not have a formal and defined review system for its policies and procedures. Written policies and procedures do not have a date on them and review period is not defined though they are signed by management. [ER.1, ER.29, ER.31.1]

Root Causes:

From the earlier finding, management understood that policies need to be updated and signed however the requirement of recording a date and review period was not communicated to them earlier. Hence this was not implemented.

Local Law or Code Requirement

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, and ER.31.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We looked into the management system and framed the policy that all the policies and procedures need to be reviewed once in a year or whenever there is any change in the local law. The policy review will be based on the business needs, changes in the customer requirements, feedback from the workers and the changes in the local law. Once the policy got reviewed, it will be documented with the revised version and date.

Company Action Plan Update

We have framed the policy that all the policies and procedures will be reviewed annually or if there is any legal requirement changes and same will be documented with revised version. The revised Policy will be communicated to leadership, management and employee representatives. Refer Attachment- 3.1 Policy Review Policy

<!--[endif]-->

<!--[endif]--> <!--[endif]-->

The Policy need to be detailed and call out that the factory will review all policies annually or when there is a change in the legal requirement.

The review date and version will be updated in the policy.

The policy review will have leadership discussion, internal stakeholders.

The revised Policy will be communicated to leadership, management and employee representatives - As on 12th April 2018.. revised version and date.3.1 -PDF file . Updated on FLA site on 30th April 2020.

<!--[endif]-->

PREVIOUS FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Canteen workers use their bare hands for mixing food. [HSE.22]

Local Law or Code Requirement

FLA Workplace Code (Health & Safety Benchmark HSE.22)

Recommendations for Immediate Action

1. Ensure that canteen workers do not use bare hands for mixing of food and instead use gloves. Regularly train and communicate to canteen staff on sanitary requirements in the food process, such as the use of gloves.

VERIFICATION RESULT

Finding Status

Partially Remediated

Remediation Details

1. Finding Status: Partially Remediated

Explanation:

Canteen workers were seen using spoons and stirrers for mixing food. Training on handling food in hygienic manner is provided to food handlers. Last training was conducted on October 10, 2017. However, training is not conducted based on the nature of the job, for example cooks, food servers, cleaners and helpers who handle food and the type of PPE that is required. While cooks and helpers handle raw food, servers handle cooked food. Servers were seen handling food tray covers without hand gloves. [HSE.22]

Root Causes:

Management was not aware of the need to conduct training to workers based on the nature of the job and hence conducted a generalized training on hygienic standards for food handling.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.22)

Recommendations for Immediate Action

1. Conduct training for food handlers based on nature of job separately for raw food and cooked food handlers.

COMPANY ACTION PLANS

Action Plan no 1.

Description

Currently, we are providing the specific training to canteen employees for raw food handlers, cooking, post cooking and serving employees. The training is provided based on the training module and training calendar and the same is evaluating them by orally to measure their understanding and effectiveness. We also have periodical inspection by top management and ensure no bare hand for mixing food.

Company Action Plan Update

Currently, we are providing the specific training to canteen employees for raw food handlers, cooking, post cooking and serving employees. The training is provided based on the training module and training calendar and the same is evaluating them by orally to measure their understanding and effectiveness. We also have periodical inspection by top management and ensure no bare hand for mixing food. Refer attachment 4.1A Canteen Training Module, 4.1B Canteen Training Calendar Plan & 4.1C Canteen Training Records - This update is as on 3rd March 2017 by the factory and updated on the FLA website as on 30th April 2020.

PREVIOUS FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The evacuation maps posted throughout the factory are too small in size and form, therefore they are not clearly readable.
2. The factory uses normal tube lights used in households throughout the factory instead of industrial emergency lights. In addition, the

factory does not have any emergency lights above emergency exits throughout the factory.

3. The factory does not have Personal Protective Equipment (PPE), such as masks and respirators, in the raw rubber handling areas.

4. Both staircases at the top section of the rubber handling area are obstructed by heavy machines and equipment, posing a potential risk for safe evacuation.

Local Law or Code Requirement

The India Factories Act, 1948; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5.1)

Recommendations for Immediate Action

1. Install bigger evacuation maps for clear visibility.

2. Install industrial emergency lights in all sections throughout the factory. Install emergency lights above emergency exits throughout the factory.

3. Provide workers with proper PPE in the rubber handling areas, such as masks and respirators. Regularly train and communicate workers on the requirement to use the PPE.

4. Remove all obstructions on both staircases at the top section of the rubber handling area. Ensure that they are free from obstruction at all times.

VERIFICATION RESULT

Finding Status

Remediated

Remediation Details

1. Finding Status: Remediated

Explanation:

Based on visual observation it was found that evacuation plans are posted prominently and can be easily read.

2. Finding Status: Remediated

Explanation:

Based on visual observation it was found that industrial type of emergency lights have been installed in the factory and above all exits.

3. Finding Status: Remediated

Explanation:

Based on visual observation it was found that PPE (gloves and mask) are provided and were being used by workers in raw rubber handling areas.

4. Finding Status: Remediated

Explanation:

Based on visual observation it was found that staircase in raw rubber handling section are maintained clear.

PREVIOUS FINDING NO.6

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. [ER.1.3, ER.25.2]

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

1. Finding Status: Not Remediated

Explanation:

Based on management and worker interviews and documentation review, it was found that 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. [ER.1.3, ER.25.2]

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

The policies which get impact to the workers like safety, welfare and other benefits will be reviewed with the workers representatives and association representatives. We will develop the SOP to revise the policies and procedures and to get the feedback from the workers representatives in the draft policy. Whenever there are any changes in the daily operations related to employee benefits, safety, customer expectation and business need, we will get feedback from the workers representatives and association representatives. Then the policy will be finalized.

Company Action Plan Update

We have developed the SOP to review and revise the policies and procedures which feedback received from the worker representatives and association representatives then it will be finalized

Refer Attachment- 6.1 SOP for review policies & Procedures. - This is as on 15th June 2018 as per the factory.

Updated on the FLA website as on 30th April 2020.

New Findings and Action Plans

NEW FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Policies & Procedures (Macro)

Finding Explanation

1. Factory does not have written procedures on Personnel Development or performance evaluation. However, there is a document called "Group Change Mechanism"(GCM). Evaluations results are classified into three categories, namely, Group I (unskilled) , Group II (Semi skilled) and Group III (skilled):
 - a. Clause 2 (1) defines assessment and behavior as criteria for evaluations. However, in practice, performance appraisal form used for evaluation for workers includes 5 additional criteria (Attendance, Developing subordinate skill, Safety, 5S and Innovative ideas).
 - b. Clause 2(3) in the GCM states that workers who fail the evaluation will be terminated immediately; and Clause 2 (5) further states that workers who pass in skill and fail in behavior will be terminated immediately. There is no criteria on nature and criticality of failures that will result in termination. That conflicts with local law which regulates that workers cannot be terminated unless legal procedures are followed. Furthermore, procedures do not include the need for maintaining evaluation results and sharing results with workers. [ER.1 and ER.30]
2. Factory does not have a written policy on work place conduct and discipline. However, there exists a system to manage practices. Written procedure does not provide adequate information on steps that will be followed for disciplinary action for type of misconduct, responsible person, timelines and required documentation. The current procedure lists the types of misconduct, severity, category and refers to section numbers of the standing orders (certified manual on employer – employee work relation) for action that will be taken. There is no information provided under each section number referred in the procedure. Clause 5 of punishment system in written procedure refers to Article 27 in standing orders for disciplinary action that will be taken. Article 27 of standing orders refers to "Service Certification" and not Misconduct or Punishment. Procedures do not define the requirement for workers to acknowledge written disciplinary action and steps to appeal. [ER.1 and ER.27]
3. Grievance Policy lacks the following information: [ER.1, ER.25]
 - a. Commitment to ensure grievances is addressed in a fair manner.
 - b. Step to ensure that grievances are actually collected and documented via grievance box.
 - c. Requirement of presence of worker representative(s) while GM's secretary opens the grievance box.
 - d. Classification (nature and severity) and times lines for addressing grievances.
4. Environmental Protection Policy lacks the following information: [ER.1, HSE.1]
 - a. Statement of the factory management's general support of energy and water efficiency,
 - b. Commitment to minimize impacts with respect to air emissions, waste, hazardous materials and other applicable environmental risks.
5. Policy on Freedom of Association is copied from a brand's code of conduct which refers to the factory as "Contractor" and defines expectations of brand. The same content is copied on factory letter head and presented as factory policy which was signed by management. [ER.1, ER.25]
6. There is no policy on Retrenchment. Furthermore, there is no methods for calculating final payouts, in accordance with legal requirements. [ER.32, ER.19]
7. Health & Safety procedure lacks the following information: [ER.31]
 - a. Steps for workers to raise health and safety concerns;
 - b. Protection against retaliation for workers who raise health and safety concerns;
 - c. What workers should do in case of injury.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.25, ER.27 , ER.30, and ER.31; Health, Safety & Environment Benchmark HSE.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1(a). Please refer the point mentioned in the need clarification 1(b). Based on the audit finding, we reviewed the Group Change Mechanism policy. It was mentioned that "workers who pass in skill and fail in behavior will be terminated immediately". Then it was changed as "workers who failed in behavior but passed in skills will be taken action following due procedure of regulation". However based on the policy, any of the employees who fail in behavior part is not terminated so far. Refer attachment 7.1(b) group change mechanism policy. 2. We are following the disciplinary procedures as per clause 30 however we have modified the typo error in the regulation as article 30. Refer attachment 7.2 Article change copy3(a). We reviewed the policy and addressing the grievance through various channels in a fair manner. 3(b). There are multiple channels for receiving the grievances and we also documenting the grievances. 3(c).We have started to involve worker representative along with GM's secretary during the grievance box open from 14th November 2017.The same was acknowledged by the workers representative and it was maintained as ledger on daily basis. 3(d) we have time line to addressing the grievance in the policy. Refer attachment 7.3(a),(b)&(d) Grievance policy Refer Attachment 7.3 (c) Involving the worker representative during GM box opens. 4: The document was readily available. The

same were shared to the auditor during the time of audit. However the auditor might be overlooked. We would like to reproduce the same documents for your reference, Kindly reconsider this observation and remove from findings. 5. During the audit we had the policy of freedom of association. Presently we reviewed and reframed the content in the freedom of association policy. It has been posted in English and local language in all the notice boards. The same content also updated in the new joiner's induction training material. Refer attachment 7.5 Freedom of association policy. 6. We are working on developing the Retrenchment policy and we are expected to be finalized on 31st May 2018. 7: The document was readily available. The same were shared to the auditor during the time of audit. However the auditor might be overlooked. We would like to reproduce the same documents for your reference, Kindly reconsider this observation and remove from findings.

Company Action Plan Update

1a: Please refer the point mentioned in the need we have 5 criteria for behavior assessment skill such as Safety, Punctuality, Flexibility at work, Relationship with Superior and relationship with Co-worker

1b: Based on the audit finding, we reviewed the Group Change Mechanism policy. It was mentioned that "workers who pass in skill and fail in behavior will be terminated immediately". Then it was changed as "workers who failed in behavior but passed in skills will be taken action following due procedure of regulation". However based on the policy, any of the employees who fail in behavior part is not terminated so far.

However based on the policy, if any of the employees who failed in behavior, the disciplinary procedure will be followed as per the disciplinary matrix.

4: Environmental protection policies has the information factory the factory management's general support of energy and water efficiency and Commitment to minimize impacts with respect to air emissions, waste, hazardous materials and other applicable environmental risks. Here the word environment means which covers Air, Water, Waste and Energy. Based on it we are working on the waste reduction programs, reduce the usage of

hazardous chemicals, and reduce the air emitting sources by regular monitoring and natural recovery. And ensure not to go beyond the legal requirements. Refer attachment 7.4 Environment Protection Policy[KY1]<!--[endif]-->

6:We have framed the retrenchment policy and same was finalized. => Completed Refer attachment 7.6 Retrenchment policy.

7: Health and Safety procedures have the information's on Steps for workers to raise health and safety concerns, Protection against retaliation for workers who raise health and safety concerns, What workers should do in case of injury. => Completed Refer attachment 7.7 Health and Safety Procedure - This update is as on 31st May 2018. updated on the FLA portal as on 30th April 2020.

<!--[endif]-->

<!--[endif]--><!--[endif]-->

<!--[endif]-->

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. In 10 out of 10 samples of evaluation results reviewed, it was found that the Employer Relation Manager had signed the results of his evaluation on discipline of workers 5 to 10 days after the Assistant General Manager (who is the final authority) had signed the final results. None of the workers have signed the evaluation results. [ER.1 and ER.29.1.1]
2. Date of Appointment on Employees State Insurance form (Legal document) is Jan 21, 2013 on all files reviewed for workers hired after 2013 to workers hired in 2017. [ER.2]
3. Job Descriptions are not defined in writing for management staff and there is no written job description prepared for all positions when personnel need to be hired. [ER.1]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.2 and E.29.1.1)

Recommendations for Immediate Action

1. Evaluation results should be signed by Employment Relations Manager prior to and not after results are finalized by the Assistant General Manager.
2. Record accurate date of hiring of workers on nomination forms for Employees State Insurance.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We have reviewed the current process of performance appraisal and presently ER Sr Manager is verifying the disciplinary records and signing the appraisal forms before getting sign by the respective Assistant General Manager. The workers are also signing in their performance appraisal forms. Refer Attachment- 8.1 (Performance Appraisal Form) 2. We have corrected the ESI nomination form and presently stated to update date of joining by manually from January 2018. The same has been verified by HR Supervisor and HR Manager. HR Sr Manager is conducting personal file audit on every month and HR AGM will have periodic audit once in a quarter. Refer Attachment- 8.2 (ESI nomination form) 3. Please refer the point 3 which mentioned in the need clarification

Company Action Plan Update

1. <!--[endif]-->We have reviewed the current process of performance appraisal and presently ER Sr Manager is verifying the disciplinary records and signing the appraisal forms before getting sign by the respective Assistant General Manager. The workers are also signing in their performance appraisal forms.

Refer Attachment- 8.1 (Performance Appraisal Form)

2. <!--[endif]-->We have corrected the ESI nomination form and presently stated to update date of joining by manually from January 2018. The same has been verified by HR Supervisor and HR Manager. HR Sr Manager is conducting personal file audit on every month and HR AGM will have periodic audit once in a quarter.

Refer Attachment- 8.2 (ESI nomination form)

3. <!--[endif]-->Please refer the point 3 which mentioned in the need clarification. We have Job description for all the management position. **And same will be used for hiring and promotion.**

Refer Attachment- 8.3 (Job Description).

The above is as per the update from the factory as on 19th April 2018 . Updated on the FLA portal as on 30th April 2020.

<!--[endif]-->

<!--[endif]--><!--[endif]-->

<!--[endif]-->

NEW FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. Factory has formed a worker committee to represent workers. However, there no written procedures on steps followed to form the committee. The committee represents all workers. [ER.1]

2. Union represents 1936 confirmed workers (workers who have worked for at least 18 months in the factory) which is 41% of workforce and 59% workers (under 18 months in employment) are not members. However, decisions taken by union are implemented for 100 % of workers.

3. Factory laid off workers in August 2017 for 7 days. There was no documented evidence of communication to the Union that the decision of management to lay off workers was due to less orders (low business). On July 28, 2017, the Union wrote to management that work "was stopped" from August 7 to August 14, 2017 and have requested that all workers be paid 100% of wages. The letter was addressed to the HR Assist General Manager but was not signed by the HR AGM to acknowledge receipt. Management responded on August 1, 2017 stating that 100 % of wages would be paid (against legal requirement of 50% wages for lay off) however attendance bonus and production incentive would not be paid for the period. This was implemented for 100% of workers. However, the decision was only communicated to confirmed workers (41% of workers); the decision was not communicated to the worker committee which represents non confirmed workers (59% of workers); these workers were verbally informed by their coworkers. As stated by management, the General Manager addressed all workers on August 2, 2017 during the periodic "half yearly all employee meeting" and communicated the decision. Review of recap of issues discussed states that attendance bonus will not be paid for August 2017 however it does not include production bonus. Review of pay records from August 2017 revealed that attendance bonus and production incentive was not paid for days laid off in the month. [FOA.1, FOA.2, FOA.10, FOA.11, FOA.15, ER.26]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1 and ER.26; Freedom of Association Benchmarks FOA.1, FOA.2, FOA.10, FOA.11, and FOA.15)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Please refer the point which mentioned in the need clarification column. 2 & 3. We reviewed our communication part and noted that there is clear communication with the workers representatives and association representatives. However, during the layoff, the communication was not documented properly. We will ensure the proper documentation of all the communicationsRefer Attachment- 9.3- Communication to the representatives of workers and association

Company Action Plan Update

1. <!--[endif]-->Please refer the point which mentioned in the need clarification column.

However worker committee was formed through conducting election and during the audit we have showed the election file

Refer Attachment- 9.1 (Committee election SOP.

2&3. We reviewed our communication part and noted that there is clear communication with the workers representatives and association representatives. However, during the layoff, the communication was not documented properly. We will ensure the proper documentation of all the communications.

Refer Attachment- 9.2 & 9.3 (Communication to representative & Association members)

<!--[endif]-->

<!--[endif]--><!--[endif]-->

[\[KY1\]](#)<!--[endif]-->The procedure also has association members. I think this is handled by Association that point needs to be excluded

The criteria of selection of representatives need to be mentioned. Example: Department, how many years of service, passion towards the subject, accommodate time to manage and collect employees thoughts and sharing in the meetings etc.

<!--[endif]-->

This update dated 19th April 2018 is as per the factory .

Updated on the FLA portal as on 30th April 2020.

NEW FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. No training conducted for HR team on disciplinary procedures. [ER 27.2]
2. Penal consequences of harassment at work place is not posted as legally required. [ER.2.2]

Local Law or Code Requirement

The Sexual Harassment of Women at Workplace Act 2013, Section 19; FLA Workplace Code (Employment Relationship Benchmarks ER.2.2, and ER.27)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Please refer the point mentioned in the need clarification 2. We have posted the ICC abstract in the notice board which contains penal consequences of IPC section 509 provisions of the said code. We also giving training on ICC for the workers in the factory to ensure the awareness on ICC and also we have reviewed our MATP and included the ICC training by targeting the training to cover

100% of the workers in the factory. Refer Attachment- 10.2- ICC training record

Company Action Plan Update

The documents were available, which was shared and clarified to the auditor during the audit and also re produced the same for referral. But it but still it reflects as In progress in action plan status.

Refer Attachment- 10.1- Training on disciplinary procedure

2: We have posted the IC abstract in the notice board which contains penal consequences of IPC section 509 provisions of the said code and also giving training on IC and same covering for all the employees.

Refer Attachment- 10.2- IC Penal Provision.

The above update is as per factory update as on 18th June 2018.

Updated on FLA portal as on 30th April 2020.

Update as on 16th June:

Uploaded the copy of the penal policy posted on the notice board.

Uploaded training material on internal committee, harassment and abuse.(Refer attachment 10.1A)

<!--[endif]-->

<!--[endif]--><!--[endif]-->

<!--[endif]-->

NEW FINDING NO.5

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Grievance System

Finding Explanation

1. Factory does not have grievance committee as legally required. Grievances are addressed by the General Managers in their offices and by their Industrial Relation team. Suggestion boxes have papers to write on but no pen or pencils for use. [ER.25]

Local Law or Code Requirement

Industrial Disputes Act 1947; FLA Workplace Code (Employment Relationship Benchmark ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We have recognized trade union to address the grievance and also we have various committees such as Works, ESH, Canteen,

Transport, ICC, Crèche. However, we are working with our legal consultant to get opinion to know the requirement to form the grievance committee.

Company Action Plan Update

We formed the grievance committee which contains the membership of Chairman (1), Management (1) and Workman(2). Since from Jul'18 we have grievance committee, hence it is a requirement. General Manager in Office (Staffs) will be accompanied by the Association (Trade union) member at the shop floor to collect grievances from 20th Jan 2018 in the GM box and the enquiry will be conducted along with Association member. Refer Attachment- 11.1- Grievance committee formation .

The above update is as on 27th July 2018 by the factory .

Updated on the FLA portal as on 30th April 2020.

Update as on 17th June 2020

Uploaded the minutes of the meeting (Ref# attachment 11.1-minutes of the meeting.rev)

<!--[endif]-->

<!--[endif]--><!--[endif]-->

<!--[endif]-->

NEW FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Exit doors are sliding type with no locking device to lock them in open position. [HSE.5] 2. Guide rail for exit doors are not highlighted and can cause injury during evacuation process. [HSE.5] 3. Smoke detectors are not installed in warehouses. [HSE.6]

4. Evacuation plans in production areas (D & E), finished goods warehouse are not installed correctly to match with floor layout. [HSE.5]

5. Only 1 exit is provided from embroider section where 35 workers were working. [HSE.5]

6. Fire brigade does not have the appropriate equipment to fight fires (including the correct PPE, e.g., breathing apparatus). [HSE.6]

7. Recap of evacuation drills conducted is mailed by safety officer to senior management. There is no separate log maintained. [ER.2]
Review of content of these mails revealed the following:

a. Time taken for head count post evacuation of workers. Date – August 28, 2017 - 3 minutes taken to count 1849 workers in assembly area 2 & 3. 2 minutes taken to count 3025 workers in assembly area 1 3 minutes taken to count 1276 workers in assembly area 4 No information recorded for head count of 75 children and 11 baby sitters Date – April 20, 2017 (conducted in two groups) Group 1- 2 minutes taken to count 247 workers in assembly area 1 3 minutes taken to count 2706 workers in assembly area 2 & 3 3 minutes taken to count 1064 workers in assembly area 4 No information on children evacuated Group 2- 1 min and 45 seconds taken to count 514 workers in assembly area 1 2 minutes taken to count 174 workers from assembly area 2 & 3. 2 minutes taken to count 109 workers from assembly area 4

b. Timing of drill conducted for all workers reflects 04:52:00 which indicates drills were conducted at 4:52 am. Management stated that the drill was conducted at 4:52 pm. Drills conducted for “C” shift (10pm to 6am) reflects a timing of 04:46:00. In this case the drill was conducted at 4.46 am.

c. Recap of drill conducted for each department individually reflects the following

d. Date Oct 22, 2017; Department = RB1 C & Pre Stitch C shift (C shift does not mean 10pm to 6am shift) and It actually meant C team (group of workers). No information on time taken to count 301 workers. Total drill time = 15 minutes. Time taken for evacuation 2

minutes 40 seconds

e. Date May 31, 2017; Department = RB 1 C & RB 11 A shift. Time 17:46:00. No information on time taken to count 336 workers. Total drill time = 30 minutes. Time taken for evacuation 2 minutes 40 seconds

f. Date January 26, 2017; Department = Bottom 1 & 2 B shift (10pm to 6am). No information available on time taken to count 246 workers. Total drill time = 30 minutes. Time taken for evacuation 2 minutes 40 seconds.

Note:

i. In all above examples total time for evacuation was exactly the same till the second

ii. January 26 was a national holiday and time records reflect no work done on this day. Management stated that drill was conducted at 1.35am for shift which started at 10pm on Jan 25 and ended at 6am on Jan 26, 2017. However as reflected legally Shift B work timings are 2pm to 10pm

g. Date March 29, 2017 – Department – Cutting, stitching and lasting (SOTAP E)

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.2; Health, Safety & Environment Benchmarks HSE.5 and HSE.6)

Recommendations for Immediate Action

1. Install locking device to ensure exit doors are maintained in open positions during working hours.
2. Highlight guide rail for exit doors.
3. Install smoke detectors in the warehouse.
4. Update evacuation plans in production areas (D & E), and finished goods warehouse to match with floor layout.
5. Add more exits in embroider sections.
6. Provide appropriate equipment for fire brigade.
7. Record accurate information on logs for evacuation drills conducted.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. We have provided the locking device to lock all the sliding type doors and we have made assessment for the all locks and found it meets the requirement. Hence the finding is completed. Please refer the attachment 12.1 sliding door lock 2. During the assessment it was found that one of the guide rail was missed to highlight in SOTAP E, after that it has been improved the same. In order to ensure this we are regularly monitoring during the daily factory tour. Please refer the attachment 12.2 3. Kindly refer the comment in need clarifications. 4. Based on the observation evacuation map orientation was incorrect in some of the places as mentioned in the above observation, after this we have re checked all the areas and ensure the evacuation map orientation was correct and going forward will ensure the same while preparing. Please refer the attachment 12.4 5. As mentioned in the audit finding, now we have improved the secondary exit in the embroidery section. After this we have re-evaluated all the areas and found one more area in dual colour screen printing room has 1 exit where number of worker was less than 10 employees, even we have fixed the secondary exit in that area as well. Please refer the attachment 12.5 6. Kindly refer the point no 6 in the need clarifications 7. We are conducting various mock drills, every month for crèche, Individual buildings by every two month once and for whole factory by yearly twice. Before we maintained all records in Email, After this we reviewed and made a log to capture all the data accurately. Please refer the attachment 12.7 - This update is as per the factory dated 19th April 2018 . Updated in the FLA website on 30th April 2020.

Company Action Plan Update

This update above is as per the factory dated 19th April 2018 . Updated in the FLA website on 30th April 2020. relevant documents are attached above.

Update as on 16th June 2020:

Uploaded photo of the Fire Brigade Equipment. (Ref attachment #12.6)

NEW FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Secondary containment is not provided separately for different chemicals stored in the chemical storage area. A common drain running continuously long the edges of storage areas is provided. There is no outlet from this drain and it has not been tested for flow of liquids. Waste is collected manually. Pieces of paper and waste were seen inside the drain. [HSE.1 and HSE.9]
2. Hazard labels are not posted in chemical containers. [HSE.9]
3. Safety shoe is not provided with the spill response kit. Management stated that workers using shoes in the chemical handling area can use the spill response kit. This is not recommended as chemicals that are already on shoes can react with spilled chemicals. Furthermore, eight out of fifteen workers handling chemicals were not using safety shoes. [HSE.7]
4. No alarm notification system is provided in chemical storage and handling areas. [HSE.9, HSE.5]

Local Law or Code Requirement

Factories Act 1948, Section 4, General Safety; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.7 and HSE.9)

Recommendations for Immediate Action

1. Provide secondary containment separately for different chemicals stored in the chemical storage area and outlet from common drain. Ensure drain is maintained clean at all times.
2. Post hazard labels in chemical containers.
3. Provide safety shoe with spill response kit. Ensure that all workers handling chemicals use safety shoes.
4. Install alarm notification system in chemical storage and handling areas.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Based on the compatibility test we have stored the same type of chemicals in the separate area. And we have modified the secondary container for each type of chemical based on the legal requirement. If any spill it is manually cleaned and moved to hazardous waste. => completed. 2. We have re assessed all the chemical storage area and posted the NFPA labels in the missed area and ensured all the area have labels. This issue has been closed and completed. 3. Kindly refer to point no 3 in the need clarification. 4. We have alarm system; we understood the current alarm system is enough. But based on the auditor suggestion we need to have separate alarm system for Chemical W/H.

Company Action Plan Update

13. nstead of providing the shoe separately in spill kit, we have provided the safety shoe to all chemical warehouse handling employees to response the chemical spills. Also providing the safety shoes in the spill kit increase the response time (Due to wear during that time) and shoe size may not be convenient since have multiple responders.

<!--[endif]-->

4. Separate chemical alarm was placed in the chemical ware house.

Refer attachement 13.4 .

The above updated is as on 3rd May 2018 from the factory .

Updated in the FLA portal as on 30th April 2020 .

Please also note that since the video submitted by the factory as evidence , exceeded the limit for upload onto FLA portal, I have taken small clippings and uploaded as a power point .

Update as on 16th June 2020

Have uploaded the PPE issue report on the portal ref attachment 13.3 -PPE Issuance

NEW FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. Flash lights are not installed on fork lift vehicles. [HSE.1]
2. All exits open to roads between buildings where there is movement of traffic. Warning signs or mirrors are not installed at exits to warn workers. [HSE.1]
3. Human traffic movement areas are not marked along chemical warehouse and production building. [HSE.1]
4. Trenches under walkways are not marked to warn workers. [HSE.1]
5. Anti-fatigue mats and rest areas (as legally required) are not provided for workers with standing jobs. [HSE.17]
6. Three common glasses are provided near drinking water station in each production building for use by workers. This is unhygienic practice. [HSE.23]
7. Safe Operating procedures are not posted near machines. [HSE.14]
8. Overlock and skiving machine operators are not provided with dust masks. Leather dust was seen on hair of the workers. Eye shields on stitching machines was seen pushed upwards. [HSE.7] Workers working near oven in sock liner machines are not provided with hand gloves to prevent burn injuries. [HSE.7]
9. Lifting belts are not provided. [HSE.7]
10. Pedal mats are not provided on "Eye Let" machines. [HSE.14]
11. Access to passage is partially restricted for workers sitting on raised chairs near ovens. They need to climb down from the side which was cramped. [HSE.5]
12. Water from eye wash station spills on the evacuation routes. This may make the floor slippery and cause injury due to accidental fall. [HSE.1]
13. Doctor is not available during night shifts even though male nurse is available. [HSE.18]

Local Law or Code Requirement

Factories Act 1948 Safety; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.7, HSE.14, HSE.17, HSE.18 and HSE.23)

Recommendations for Immediate Action

1. Install Flash lights on fork lift vehicles to warn workers when in use.
2. Install warning signs and mirrors at exits from work areas that open on the road between buildings where there is movement of traffic.
3. Mark human traffic movement areas along chemical warehouse and production building.
4. Mark trenches under walkways to warn workers.

5. Provide anti-fatigue mats and rest areas for workers with standing jobs.
6. Make appropriate and hygienic arrangement near drinking water station in each production building for workers to drink water.
7. Post safe Operating procedures near machines. These should be in local language.
8. Provide dust masks to over lock and skiving machine operators. Replaced damaged eye shields on sewing machines.
9. Provide hand gloves to workers working near oven in sock liner machine to prevent burn injuries.
10. Provide lifting belts to loaders and unloaders.
11. Provide pedal mats on "Eye Let" machines. Decongest and provide adequate access to passage for workers sitting on raised chairs near ovens.
12. Make adequate arrangements to prevent water from eye wash station spilling on the evacuation routes. Ensure Doctor is available during night shifts.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Flash lights were installed in all fork lifts. => completed. Please refer the attachment 14.1 Forklift flash light 2. In our factory, none of our buildings entrance leads to road immediately. Employees have visibility and it is easy to identify the traffic movement. Based on our assessment we have provided 15 convex mirrors in all blind spot areas and having road traffic sign like speed limits, passage divider and pedestrian markings. => Completed. Please refer the attachment 14.2 3. In rubber bottom after the exit we have placed the cooling tower. However for pathway employees available along with chemical warehouse where the marking also done, Hence we request to consider this and remove from the finding. => Completed. Please refer the attachment 14.3 4. We will have caution mark in trench in every five meter once before 30th April 2018. 5. We have provided the anti-fatigue mats for all the workers who are doing the standing operation. We have the rest area in each production building command Centre (mezzanine floor) and also the employees can avail the rest in the occupation health Centre as well. Apart from we are working on the rest area to provide near by the standing operations. Please refer the attachment 14.5 6. We will have procedure to use the drinking

water cups, and will have separate area to keep the drinking water cups, further to this we will also consider the implement of individual drinking water cups. 7. We have safe operating procedure, during the audit found in some of the travel head cutting it is not posted in SOTAP E. We ensure that all machine have safe operating procedure. Please refer the attachment 14.78. Since there is no knife in the over-lock in the machine. There is no possibility of occurring dust and we are using water in the skiving machine for the heel counter skiving. Hence dust mask is not required in this process. Also we did personal sampling through third party where the value is within the limits. Please refer the attachment 14.7. Compare to other stitching operation strobel machine operation is different. Also needle position is different in this machine. Hence eye shield is fixed in upwards. Hence we request you to remove this from findings. Before the employee working nearby oven, right now working area was moved away from the oven. Also we have covered the heat exposure area with heat resistant material. Before the temperature 46°C is now the temperature is 33°C. => Completed 9. The only manual loading work is carton box loading. The maximum weight of the carton box is 20 Kgs and there is no any manual unloading. As per our assessment there is no any manual heavy weight lifting. We use forklifts and hydraulic trolley, cranes for the heavy weight lifting whenever required. Hence we request you to remove this finding. 10. In eyelet machine we have knurling type pedals, which not required of pedal mats. The machine is operated by pneumatically (mechanical control) and for every machine our HQ will do risk assessment. Based on that, there is no needed of pedal mat and machine manufacturer also not recommended the pedal mat in this machine. During risk assessment done in headquarters, manufacturer is not recommended the pedal mat in the machine. Also we have safety guard to prevent finger entry in case of any wrong pedal. Hence request you to reconsider the finding. Based on our risk assessment, pedal mats is not required. Refer Attachment: 14.10 eyelet machine 11. Modified the working platform with folded type for easy evacuation. => Completed 12. We have provided the secondary container around all eye wash stations, and will make sure there is no any water spillage once after used, also taking some actions to prevent these concern also lead to some risk and accessibility. 13. We have doctor and nurses in general shift for 95% of employees. For remaining 5% of night shift employees we have male nurse in each shift and common doctor in our SEZ (four factories LU1&2, EW1&2). In our overall SEZ during night shift around 1500 shift employees is covered by a male nurse and common doctor. As per factories rules (Rule no: 64), the ambulance room shall be in charge of a qualified medical practitioner assisted by at least one qualified nurse. Hence, we request you to remove this finding. => Completed

Company Action Plan Update

1. <!--[endif]-->Flash lights were installed in all fork lifts.

Please refer the attachment 14.1 Forklift flash light

2. <!--[endif]-->In our factory, none of our buildings entrance leads to road immediately. Employees have visibility and it is easy to identify the traffic movement. Based on our assessment we have provided 15 convex mirrors in all blind spot areas and having road traffic sign like speed limits, passage divider and pedestrian markings.

Please refer the attachment 14.2

3. <!--[endif]-->In rubber bottom after the exit we have placed the cooling tower. However for pathway employees available along with chemical warehouse where the marking also done => Completed. Please refer the attachment 14.3

4. <!--[endif]-->We will have caution mark in trench in every five meter once before 30th April 2018.

5. <!--[endif]-->We have provided the anti-fatigue mats for all the workers who are doing the standing operation. We have the rest area in each production building command Centre (mezzanine floor) and also the employees can avail the rest in the occupation health Centre as well. Apart from we are working on the rest area to provide near by the standing operations. Please refer the attachment 14.5

6. <!--[endif]-->We will have procedure to use the drinking water cups, and will have separate area to keep the drinking water cups, further to this we will also consider the implement of individual drinking water cups.

7. <!--[endif]-->We have safe operating procedure, during the audit found in some of the travel

head cutting it is not posted in SOTAP E. We ensure that all machine have safe operating procedure. Please refer the attachment 14.7

8. <!--[endif]-->Since there is no knife in the over-lock in the machine. There is no possibility of occurring dust and we are using water in the skiving machine for the heel counter skiving. Hence dust mask is not required in this process. Also we did personal sampling through third party where the value is within the limits. Please refer the attachment 14.7. Compare to other stitching operation strobel machine operation is different. Also needle position is different in this machine. Hence eye shield is fixed in upwards. Before the employee working nearby oven, right now working area was moved away from the oven. Also we have covered the heat exposure area with heat resistant material. Before the temperature 46°C is now the temperature is 33°C.

9. <!--[endif]-->The only manual loading work is carton box loading. The maximum weight of the carton box is 20 Kgs and there is no any manual unloading. As per our assessment there is no any manual heavy weight lifting. We use forklifts and hydraulic trolley, cranes for the heavy weight lifting whenever required.

In eyelet machine we have knurling type pedals, which not required of pedal mats. The machine is operated by pneumatically (mechanical control) and for 8. every machine our HQ will do risk assessment. Based on that, there is no needed of pedal mat and machine manufacturer also not recommended the pedal mat in this machine. During risk assessment done in headquarters, manufacturer is not recommended the pedal mat in the machine. Also we have safety guard to prevent finger entry in case of any wrong pedal. Hence request you to reconsider the finding. Based on our risk assessment, pedal mats is not required. Refer Attachment: 14.10 eyelet machine

9. <!--[endif]-->Modified the working platform with folded type for easy evacuation.

10. <!--[endif]-->We have provided the secondary container around all eye wash stations, and will make sure there is no any water spillage once after used, also taking some actions to prevent these concern also lead to some risk and accessibility.

11. <!--[endif]-->We have doctor and nurses in general shift for 95% of employees. For remaining 5% of night shift employees we have male nurse in each shift and common doctor in our SEZ (four factories LU1&2, EW1&2). In our overall SEZ during night shift around 1500 shift employees is covered by a male nurse and common doctor. As per factories rules (Rule no: 64), the ambulance room shall be in

charge of a qualified medical practitioner assisted by at least one qualified nurse.

The above updated is dated 19th April 2018 as per the factory.

Updated in the FLA portal as on 30th April 2020.

NEW FINDING NO.9

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Trade license of waste collectors and disposers Dalmia Cement (Bharat) Limited, M/S Bhartia Enterprise and MR Industries was not available for review. Management stated that based on consent from pollution control authorities of local government, these vendors are used. In absence of the licenses, cannot verify existence of such units/vendors. While Safety officer and Asst, HR staff stated licenses were available on mail, Assistant General Manager (Sustainable development) stated the licenses were not available. [HSE.1, HSE.4]

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment benchmarks HSE.1, and HSE.4)

COMPANY ACTION PLANS

Action Plan no 1.

Description

We have consent order for all the vendors which received from pollution control board. Only after verification of applicable licenses PCB will issue the consent order. Although, we will conduct audit on every quarter for waste vendor handlers about the treatment process and the waste process will be denoted in the consent order as well. After this we have requested all the waste vendors to provide their trade license however some of the them refusing to provide this, we cannot able to attain 100% on this, hence we will work on this to ensure all the waste vendors has provided their license.

Company Action Plan Update

Implemented Trade license for waste collectors and disposers was available.

Refer attachment 15.1 Trade license Copies.

The above update is as on 5th May 2018 from the factory and updated on the FLA portal as on 30th April 2020.

<!--[endif]-->

<!--[endif]-->

Update as on 16th June 2020:

Update the portal with the trade license copies of the waste vendors. (Refer attachment#15.1A.

NEW FINDING NO.10

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. None of the workers interviewed were aware of wage structure and calculations. [ER.1 and ER 16, C.17] 2. Factory provides loans (up to 20% of workers' monthly wage) to workers for education provided by study centers that are decided upon by the factory. Workers do not have the option of enrolling in other study centers. [ER.1] 3. The factory does not provide timely termination payouts. Payments are required to be made within two days from last day of termination, however, terminal dues are paid on the 10th of every month as a systematic practice for those who resign the previous month. Therefore, workers receive termination payouts from 10 to 23-days after their last day. [C.4, C.1] 4. Leave records are updated annually and not on a monthly basis, therefore information on leave days is not available at any given time, should the worker need the information. [C.15] 5. Earned leave in excess of 15 days is paid instead of being accumulated up to 30 days as allowed by law. [C.1, C.5, ER.22.2, HOW.11, HOW.14]

Local Law or Code Requirement

Industrial Employment (Standing Orders) Act, 1946, Section 13; Termination of employment (3) and Factories Act 1948, Accumulation of earned leave; FLA Workplace Code (Employment Relation Benchmarks ER.1, ER.16, and ER.22.2; Compensation Benchmarks C.1, C.4 C.15 and C.17; Hours of Work Benchmarks HOW.11, and HOW.14)

Recommendations for Immediate Action

1. Create awareness amongst workers on wage structure and calculations. 2. Provide options for workers to choose the study centers where they wish to be enrolled. 3. Pay wages for days worked until day of resignation and wages for unused leave within expiry of 48 hours as legally required. 4. Earned leave should be allowed to be accumulated up to 30 days.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. Already we have provided training to the workers on salary components for every year during wage revision through workers and

also given refresh training this year to the workers on salary part. So far we have covered 30% of the workers and we planned to cover all the workers within 31st July 2018. Refer Attachment- 16.1 Training records 2. This is one of the additional benefit that we are providing to our employees in order to encourage them for the higher education. They are open to select any study centre but the management is unable to arrange the facility. However, if more number of employees are requested for the particular course in a study centre, the management will consider them. 3. We have already put into this in the system from January 2018 but it has missed out in one or two terminated employees. However we are in the process of improvement and working on the root cause to make sure this system. We are expecting 100% timely payouts for all the termination from 15th June 2018. 4. Please refer the point which mentioned in the need clarification. 5. We are not restricting the employees carry forward up to 30 days. Based on the opinion from the workers representatives and association representatives, the leave encashment has been paid yearly basis. Moreover, we also are encouraging the employees to avail their leave.

Company Action Plan Update

1: We have completed salary scheme training for all employees during 2018 & Meanwhile we plan to conduct refreshment training on Sep'19 same was included in the Master Annual Training Plan.

Refer Attachment- 16.1- Training record on Salary scheme

2: We already are assisted the employees for getting admission in Tamil Nadu open university and based on the request from the employees, currently we have added another one study center which is named as Annamalai University

Refer Attachment- 16.2- SAKHI higher education

3: Currently the termination pay-outs are paid within two working days from the date of termination from the month of June 2018.

Refer Attachment- 16.3- Termination Payouts

4: The documents were available, which was shared and clarified to the auditor during the audit and also re produced the same for referral. But it but still it reflects as In progress in action plan status.

We are maintaining leave card for all the employees and for every individual can access HR to verify their leave status and Privilege leave & Casual leave balance will reflect on their monthly salary

Refer Attachment- 16.4A- Leave card & Pay slip & 16.4B Association Consent New Standing order.

The above update is from the factory as on 31st July 2018 . Updated on the FLA portal as on 30th April 2020.

NEW FINDING NO.11

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. Though trainings on employment functions are conducted periodically for supervisors and workers, during the three days of assessment, management could not provide accurate information on number of supervisors and workers covered on each employment

function. There is no tracking system in place to monitor trainings. There was mismatch in information on numbers provided each time the figures were requested. [ER.1, ER.15, ER.17]

Local Law or Code Requirement

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

COMPANY ACTION PLANS

Action Plan no 1.

Description

We have implemented the Production Information System for capturing all the training records accurately from January 2018 which helps to recover the data as whenever required based on the requirement from all the end we can easily retrieve the data on topic wise, hours and date wise. Refer Attachment- 17(Production Information System Screenshot)

This update is as on 19th April 2018 and updated on FLA portal as on 30th April 2020.

NEW FINDING NO.12

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory does not identify all pregnant and lactating women to legal protection concerning working hours. [HOW.5]

Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmark HOW.5)

Recommendations for Immediate Action

1. Identify all pregnant and lactating women to legal protection concerning work hours, and maintain all the records.

COMPANY ACTION PLANS

Action Plan no 1.

Description

We have identified the list of pregnant employees and lactating mothers. We are having the facilities like Occupational Health Centre and Creche for them. We also have SOP for the We have list Pregnant employees and lactating mothers. Refer Attachment- 18.1 Pregnant employees & Lactating Mothers list & their SOPs.

The above update is from the factory dated 19th April 2018 and updated on teh FLA portal on 4/30/2020.