



## INDEPENDENT EXTERNAL ASSESSMENT REPORT

### Verification

AA0000001864

COMPANY: Mountain Equipment Co-op (MEC)  
COUNTRY: India  
PRODUCT: Apparel  
PROCESSES: Cut, Sew  
NUMBER OF WORKERS: 421  
NUMBER OF WORKERS INTERVIEWED:  
ORIGINAL ASSESSMENT DATE: 09/07/15  
ORIGINAL ASSESSMENT MONITOR: T Group Solutions Pvt Ltd  
VERIFICATION ASSESSMENT DATE: 11/07/17  
VERIFICATION ASSESSMENT MONITOR: Insync Global

#### FLA Comment:

*This SCI is a verification assessment of assessment AA0000001864. All corrective action plan updates for AA0000001864 will be published on this report.*

# Understanding this Assessment Report

This report is to verify the remediation status of findings from a previous workplace assessment based on the Fair Labor Association's Sustainable Compliance methodology (SCI). This report also includes new findings utilizing the SCI methodology. The SCI assessments evaluate a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle. SCI assessments are conducted by FLA accredited assessors.

This report identifies the status of remediation of violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions. It also includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each finding as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section of each finding.

## Glossary

**Code violation:** failure to meet standards outlined in the [FLA Workplace Code of Conduct](#) in the workplace implementation of employment or management functions.

**Employment Functions:** The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

**Management functions:** violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

**Finding:** indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

### Finding type

- . *Immediate action required:* discoveries or findings at the workplace that need immediate action because they not only constitute an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.
- . *Sustainable improvement required:* findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.

. *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

**Local law or Code Requirement**: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

**Root causes**: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

**Verification status**: The status of the remediation plan for each finding as determined by the assessor. The findings are labeled either Not Remediated, Partially Remediated, or Remediated.

**Company action plan**: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

# Findings and Action Plans

## FINDING NO.1

### RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

#### FINDING TYPE: Immediate Action Required

##### Finding Explanation

1. Review of employment documents revealed that 11 out of 22 young workers (below 18 years of age) were 16 years old when they were hired in 2013 and 2014 based on proof of age recorded in their school certificates. However, 11 of the 22 Fitness Certificates issued in June 2015 by a certifying surgeon (as legally required for workers below 18 years of age), state that 11 young workers are currently 16 years old. This inconsistency means that these workers were most likely 14 or 15 years old at the time of hiring and that the school certificates misstated the young workers' age. [ER.4, CL.4]
2. Fitness Certificates that certify young workers are eligible to work as adults could not be located for the other 11 young workers. Thus, the age of these workers could not be verified. [ER.4]
3. Four fitness certificates issued in 2014 and 1 fitness certificate issued in 2013 have not been renewed on an annual basis for 2015. [ER.4]
4. There is no identification token or scarf provided to young workers in the factory as legally required. [CL.6]
5. The probation period for new recruits is one year, which exceeds the local law requirement (3 months). [C.3]
6. The factory's procedures on recruitment do not define recruitment channels, e.g. use of recruitment agents. Additionally, there are no policies or procedures on Personnel Development or promotion, demotion and job reassignment. [ER.1, ER.30]
7. The factory does not have a policy on performance reviews that includes steps and processes, demonstrates linkages to job grading, prohibits discrimination, and provides written feedback. [ER.29]

##### Local Law or Code Requirement

Factories Act 1948 - Section 9 (a); Industrial Employment (Standing Orders) Act, 1946 - Classification of Workers; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.4, ER.29, and ER.30; Compensation Benchmark C.3; Child Labor Benchmarks CL.4 and CL.6)

##### Recommendations for Immediate Action

1. Prior to hiring workers, verify the age on the school records by obtaining the legally required Fitness Certificate. Workers should not be hired until the Fitness Certificates are obtained through the qualified surgeon.
2. Do not hire workers younger than 15 years old.
3. Even if the young workers have the Fitness Certificate, they should not be assigned any hazardous work as per FLA benchmarks.
4. If it is found that workers are under 15 years old:
  - a. The facility should seek to place the worker in a regular school, special school, or vocational skills training center until he or she reaches the minimum age to work. Relevant arrangements should ensure that the worker continues to receive at least the minimum wage as an incentive to complete school and not return to work, as well as receive subsidies towards the cost of schooling (school fees, uniforms, books, transportation, etc.).
  - b. The facility shall provide a guarantee of a job to the worker once he or she has reached the minimum age for work.
  - c. The facility shall make suitable alternative arrangements in situations in which there are no formal or informal education systems available or situations in which the worker does not want to go to school.
5. Obtain Fitness Certificates for all workers below 18 years old and renew them on an annual basis.
6. Provide an identification token or scarf for all young workers, so they can be easily identified on the factory floor.

7. Revise the probation period to not exceed 3 months.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	03/31/16
<b>Progress Update:</b>	<p><u>Original Action Plan</u> Discussions on Recommended Remediation:</p> <p>1 &amp; 5. The factory has obtained Fitness Certificates and school certificates for all workers below 18 years old and renew them on an annual basis as per Engagement of Young Worker Procedure (attached)</p> <p>2. The Facility has a strict policy not to employ any workers under the age of 16 years (attached)</p> <p>3 &amp; 4. The Factory has an Engagement of Young Worker Procedure (attached) that defines what a young worker is, procedures required for hiring and what type of work young workers can do at the factory.</p> <p>6. Young workers are provided separate identification system with the rope color for their ID cards (attached) - in relation to item 4 under this finding</p> <p>Discussions on Finding Numbers:</p> <p>In relation to items number 1, 2, and 3: Due to an open posting of the Doctor's position in this district, no one came to the facility in 2013 to conduct the fitness tests. The Facility paid a fee to the authority for rendering the fitness certificate to the young workers. The Facility will not engage the young workers without a fitness certificate of said authority as per the requirement. In 2013, the facility recruited workers based on their school leaving certificate. The facility applied and paid for the fitness certificate fee for newly recruited young workers between the ages of 16 - 18. Now, there is one Doctor in this district who is authorized to issue the fitness certificate from the government. The Doctor came to the facility in 2015 and stated that same workers are 16, when in fact they are 18 as per the school leaving certificate that is accepted as an adult employee without conditioning of 'to obtain the fitness certificate' as per the Tamil Nadu Factories Act 1948. The factory has stopped recruiting young workers as we have faced enormous delay from government authorities in getting the fitness certificate for Young workers.</p> <p>Item 4 - addressed above in recommended remediation #6</p> <p>Item 5, which is item 7 under the recommended sustainable remediation: Revise the probation period to not exceed 3 months: - In the Standing Order, we categorized the workmanship in following categories: (1) Permanent; (2) Probationers; (3) Badlis; (4) Temporary; (5) Casual; and (6) Apprentices. - Our standing order defined, 'A "temporary workman" is a workman who has been engaged for work which is of an essentially temporary nature likely to be finished within a limited period'. - For the above statement, "Temporary" time frame duration is not mentioned as per our industrial practice of 1 year. - FLA Benchmark defined, the probationer could not be engaged more than 3 months, but the facility not engaged probationer workmen. - Regarding Standing order amendment, we discussed with Government Labor department Officials. According to them our current standing order falls in line with Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981. Hence, they feel an amendment in current standing orders not required. The extract of the relevant page from the act is given below: "As per the Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981 In this act sec (4) "workman" means any person employed in</p>

	<p>any Industrial establishment to do skilled or unskilled, manual, supervisory, technical or clerical work for hire or reward, whether the term, of employment. And Sec 3(1). Notwithstanding anything contained in any law for the time being in force every workman who is in continuous service for a period of four hundred and eighty days in a period of twenty-four calendar months in an industrial establishment shall be made permanent". (ANNEXURE-II&amp;III enclosed)</p> <p>6 &amp; 7. The Factory does not used recruitment agents Proper established monitoring system in place. Personnel Development or promotions are in place based on their performance and organization needs. Please find attachment Performance Appraisal Evaluation Policy and Facility's record of Individual efficiency card based on their performance</p> <p><u>Progress Updates</u> 10/18/16: The factory has amended their recruitment policy and procedures to reflect the probation period as six months for newly recruited employees with effect from 1st August 2016. The following attachments have been added to the zip file below: (i) Amended Recruitment Policy and Procedure (ii) Appointment letter in Tamil Language with modification</p> <p>06/27/16: Training already provided to the HR staff and supervisors on hiring policy of Young workers and work types that young workers cannot do. Please find enclosed the Training Log &amp; Photos (Annexure 1, Annexure 1(A)). Recruitment of Young workers have been stopped in the facility with effect from Oct 2015. Please find enclosed the recruitment policy and procedure (Rev)- Annexure 2. We have a clear and structured Non-discrimination policy in recruitment, working environment, compensation access to training, promotion and other welfare measures. Please find attach the Non –Discrimination policy being followed in our facility. Employees are promoted and job grading is done based on employee performance evaluation (Annexure - 3). As learned during our discussion, the facility uses the probation period to assist in tracking the worker's training assessment regarding their understanding on brands quality, efficiency and involvement in work. During the probation period, the employees receive all legal benefits that are eligible for permanent workers. The facility has implemented a performance evaluation procedure. In their procedures, the notice period for leaving the facility job is one month; the same time period that is applicable to permanent employees. The facility wants workers to stay at the facility, especially after a long probation period as they have invested a lot of time into training. Should a worker not be meeting quality expectations, they may be moved to another job at the facility; one that is suitable for their work skills. After a detailed discussion and offering the FLA's suggestion of reducing the probationary period to six months initially, with the long-term goal of bringing it down to three months, the factory has agreed. After our call, they held a joint discussion with employees in this respect. From the facility: To be in line with FLA standards, we will, in the first stage, reduce the probation period to 6 months with effect from 1st August 2016 and work towards reaching long term objective of FLA Standard on probation period of 3 months within the next 1 Year period i.e., before 1st August 2017.</p>
<b>Completion Date:</b>	06/19/16

**Verification Result:**

1. Finding Status: **Remediated**

**Explanation:** Based on management and worker interviews and documentation review, it was found that effective August 2016, factory has not hired any workers below the age of 18, and required documentation is maintained. The factory changed their policy on hiring workers below 18 years old, as they find it a challenge to obtain the legally required certificates from the government department.

2. Finding Status: **Remediated**

**Explanation:** Based on management and worker interviews and documentation review, it was found that

effective August 2016, factory has not hired any workers below the age of 18, and required documentation is maintained. The factory changed their policy on hiring workers below 18 years old, as they find it a challenge to obtain the legally required certificates from the government department.

**3. Finding Status: Remediated**

**Explanation** Based on management and worker interviews and documentation review, it was found that effective August 2016, factory has not hired any workers below the age of 18, and required documentation is maintained. The factory changed their policy on hiring workers below 18 years old, as they find it a challenge to obtain the legally required certificates from the government department. Hence fitness certificate is not required for any worker.

**4. Finding Status: Remediated**

**Explanation:** Based on management and worker interviews and documentation review, it was found that effective August 2016, factory has not hired any workers below the age of 18, and required documentation is maintained. The factory changed their policy on hiring workers below 18 years old, as they find it a challenge to obtain the legally required certificates from the government department. Hence now there is no requirement of identification of workers.

**5. Finding Status: Partially Remediated**

**Explanation:** Based on management interviews and documentation review, it was found that the probation period has been revised from 12 months to 6 months, however, this still exceeds the 3-month limit as required by law FLA benchmarks.

**Root Causes:** As stated by management, workers are probationary for 6 months, which is their training period. Hence, they maintained the 6 months period. All legally defined benefits are provided to all workers from the first day of hiring. The legal classifications and worker category definitions were explained and shared with the management.

**6. Finding Status: Not Remediated**

**Explanation:** Based on management interviews and documentation review, it was found that the written policy and procedures dated October 1, 2016 do not define recruitment channels, e.g. use of recruitment agents. While most workers are hired on factory rolls, security services are outsourced to a service provider who provides seven guards. Additionally, there are no policies or procedures on Personnel Development or promotion, demotion, and job reassignment.

**Root Causes:** Management stated that they did not consider service providers as a channel for providing production workers. Workers are hired directly on factory rolls hence recruitment channels were not defined specifically. Management stated that they have written policies and procedures on Personnel Development however these were not provided for review.

**7. Finding Status: Not Remediated**

**Explanation:** Based on management interviews and documentation review, the factory does not have a policy on performance reviews that includes steps and processes, demonstrates linkages to job grading, prohibits discrimination, and provides written feedback

**Root Causes:** Management stated that they have written policies and procedures on performance reviews, however these were not provided for review.

**Local Law or Code Requirement**

Industrial Employment (Standing Orders) Central Rules, 1946 - Classification of Workers section 2 (c); FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.29, and ER.30; Compensation Benchmark C.3)

**Recommendations for Immediate Action**

1. Revise the probation period to not exceed 3 months.
2. Draft complete policies and procedures for Hiring, Personnel Development, and performance reviews

<b>Action Plan Status:</b>	<p>Item 5: Completed</p> <p>Item 6: Completed</p> <p>Item 7: Completed</p>
<b>Planned Completion:</b>	<p>Item 5: Aug 1, 2018</p> <p>Item 6: Aug 7, 2018</p> <p>Item 7: August 27, 2018</p>
<b>Progress Update:</b>	<p>Item 5: As per the Factory's information, the probation period for six months is the training period. All legal benefits are provided to the workers from the first day of hire. For all future hires, the Factory will hire previously trained in order to change the probation period from six months to three months. The Factory will assess this plan throughout 2018 for feasibility. If viable, the Factory will implement a new policy by Jul 1, 2018. Training and awareness of the revised policy will be provided to employees/supervisors/HR staff on or before Jul 31, 2018. Factory will provide all the supporting document to MEC on Aug 10, 2018.</p> <p>Item 6: The Factory will draft the policy and procedures for hiring, personnel development and performance review by Jan 31, 2018 Pending supporting document from the factory. The Factory planned to provide the training on the policy and procedure related to 1) Hiring policy 2) Personnel development 3) Performance review 4) Job re-assignment to all employees on or before Feb 15, 2018. The Factory will arrange the promotion or demotion as per the data and will promote or demote employees in the last week of Mar 2018. The training will be given to the supervisors and managements staff by Feb 15.</p> <p>The recruitment policy will also include a statement saying that the Factory does not consider the service provider or recruitment channels, and that all the recruitment is done directly by the Factory. The Factory will arrange promotion, demotion and job re-assignment before Mar 30, 2018.</p> <p>Item 7: The Factory will draft the policy and procedures on performance reviews that includes steps and processes, demonstrates linkages to job grading, prohibits discrimination, and provides written feedback by Jan 31, 2018. Pending supporting document from the factory The Factory will provide training to their employees on performance policy and procedures on or before Feb 15, 2018. The Factory expects the final date of completion to review the performance will be before end of Mar 2018. The Factory will provide the training record once it has been done with attendance sheet.</p> <p>August 2018 update:</p> <p>Item 5: The Factory revised the training period to three months on Feb 1, 2018 and this policy start effective on Aug 1, 2018. The Factory arranged the probation period awareness training to all employees on July 31, 2018. Please find the attached the revised policy with management signature and the training record.</p> <p>Item 6: The Factory completed 1) recruitment, selection and hiring policy procedure and 2) the personnel development policy before April 21, 2018. Please find the attached supporting documents. The Factory provided training to workers.</p> <p>Item 7: The Factory completed the performance review form. They have confirmed that all workers go through the performance review. And that all workers receive a copy of</p>

	the review. The performance reviews were last arranged on August 27, 2018. Documents available upon request.
<b>Completion Date:</b>	

## FINDING NO.2

### TRAINING (MACRO)

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. The factory does not provide documentation to new recruits that covers all topics included in the induction/orientation program. [ER.1, ER.15]
2. Factory does not provide any on-going training to employees on Recruitment, Hiring & Personnel Development, Health & Safety, Environmental Protection, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, and Grievance System. [ER.1, ER.15]
3. No training is provided for supervisors on Compensation, Hours of Work, Environmental Protection, Industrial Relations, Workplace Conduct & Discipline, and Grievance System. [ER.1, ER.17]

#### Local Law or Code Requirement

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

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	02/25/16
<b>Progress Update:</b>	<p><u>Original Action Plan</u>  Factory has established plan and procedure for Induction training program. This is an on-going program at the factory. Supporting documentation: - Examples of training logs - Induction Training Procedure and training program content - Code of Conduct - FLA Correction Action Plan August 2015 - Lists all information on training programs in place at both this factory and its sister facility - in section 4: Induction Training Presentation (p. 13-18) and section 9 - Training (p. 31-45) Please note: Finding was also noted in the sister facility's 2012 SCI which has been deemed complete by FLA. The factories have the same policies and procedures.</p> <p><u>Progress Updates</u>  06/30/16: Completed</p> <p>06/27/16: See above</p>
<b>Completion Date:</b>	02/25/16

#### Verification Result:

1. **Finding Status:** **Not Remediated**

**Explanation:** Although management stated that documentation covering all topics covered during the orientation/induction program is provided to workers, none of the new workers interviewed had received this document.

**Root Causes:** There is a lack of monitoring and follow up in implementing the requirement. Senior management stated that it was decided to provide employee handbook to all workers, however implementation was not monitored.

2. **Finding Status:** **Not Remediated**

**Explanation:**

Based on management and worker interviews, and review of documentation, ongoing training is not provided to employees on Recruitment, Hiring & Personnel Development, Environmental Protection, Health & Safety, Hours of Work, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, and Grievance System. Some awareness of these topics is provided during the orientation program. The factory has a training calendar, however there is no documentation from these trainings, as attendance records for these training programs are not maintained. Workers were not aware of any training programs being conducted.

**Root Causes:**

Management stated though they conduct training programs, attendance is not documented.

**3. Finding Status:** Not Remediated

**Explanation:**

Based on management and supervisor interviews and documentation review, no evidence was found to prove that training is provided for supervisors on Compensation, Hours of Work, Environmental Protection, Industrial Relations, Workplace Conduct & Discipline, and Grievance System. Attendance sheet is not maintained with signature of supervisors. Supervisors were not aware of any training program conducted.

**Root Causes:**

Management stated though they conduct training programs, attendance is not documented due to lack of monitoring by factory staff.

**Local Law or Code Requirement**

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

<b>Action Plan Status:</b>	<p>Item 1: Completed</p> <p>Item 2: Completed</p> <p>Item 3: Completed</p>
<b>Planned Completion:</b>	<p>Item 1: Feb 7, 2018</p> <p>Item 2: May 21, 2018</p> <p>Item 3: April 17, 2018</p>
<b>Progress Update:</b>	<p>Item 1: The Factory will create an orientation training program cover all the topics including Recruitment, Hiring &amp; Personnel Development, Environmental Protection, Health &amp; Safety, Hours of Work, Termination &amp; Retrenchment, Industrial Relations, Workplace Conduct &amp; Discipline, and Grievance System etc. The Factory will start to arrange the training from Feb 1, 2018 onwards for the new workers who joined in Jan 2018. The effectiveness of the training to the newly joined employees will be assessed through feedback form on or before Mar 30, 2018.</p> <p>Item 2: The Factory will update the training calendar and the orientation program to cover topics on Recruitment, Hiring &amp; Personnel Development, Environmental Protection, Health &amp; Safety, Hours of Work, Termination &amp; Retrenchment, Industrial Relations, Workplace Conduct &amp; Discipline, and Grievance System. The Factory will obtain all the attendee signature in a record. The Factory will start training to the existing employees from second week of Feb and complete all the training by Feb 10, 2018. The training will be conducted for all the employees and will be given by designated staff and IMS team. The HR department is responsible for the training Pending on the facility to agree to maintain documentation from the trainings (i.e., training material, training photo, attendance records and the training evaluation form etc.).</p> <p>Item 3: The Factory will provide supervisor training on Compensation, Hours of Work, Environmental Protection, Industrial Relations, Workplace Conduct &amp; Discipline, and Grievance System. The Factory will arrange the training to supervisors and middle</p>

	<p>management staff from Feb 1, 2018 onwards. The Factory will analysis the feedback and do the assessments before Mar 30, 2018. Pending on facility to agree to maintain documentation from the trainings (i.e., training material, training photo, attendance records and the training evaluation form etc.).</p> <p>August 2018 update:</p> <p>Item 1: The Factory created an orientation training program that covers: Recruitment, Hiring &amp; Personnel Development, Environmental Protection, Health &amp; Safety, Hours of Work, Termination &amp; Retrenchment, Industrial Relations, Workplace Conduct &amp; Discipline, and Grievance System, etc. Please find attached supporting documents. The Factory completed the training before February 7, 2018.</p> <p>Item 2: The Factory updated the training calendar and the orientation program to cover topics on Recruitment, Hiring &amp; Personnel Development, Environmental Protection, Health &amp; Safety, Hours of Work, Termination &amp; Retrenchment, Industrial Relations, Workplace Conduct &amp; Discipline, and Grievance Systems. The Factory will obtain all the attendee signatures for record. The Factory finished training to the existing employees in February and completed all training before May 21, 2018. The training was conducted for all employees. The HR department is responsible for the training. Please find the attached supporting documents.</p> <p>Item 3: The Factory provided supervisor training on Compensation, Hours of Work, Environmental Protection, Industrial Relations, Workplace Conduct &amp; Discipline, and Grievance Systems. The Factory arranged the training to supervisors and middle management staff from February 1, 2018 onwards. The Factory analyzed the feedback before April 30, 2018. Please find the attached supporting documents.</p>
<b>Completion Date:</b>	

### FINDING NO.3

## ENVIRONMENTAL PROTECTION

### FINDING TYPE: Immediate Action Required

#### Finding Explanation

1. The factory is not managing the environmental impact of its chemicals. No impact assessment has been done and solid waste generated is not stored separately and secured in an enclosed area. [HSE.9]
2. The secondary containers provided for chemical containers (used in STP area) do not have enough capacity to contain all potential overflow. [HSE.9]

#### Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.9)

#### Recommendations for Immediate Action

1. Provide adequate secondary containers for chemical containers

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	10/30/15
<b>Progress Update:</b>	<u>Original Action Plan</u> During action plan discussions and in person discussions with the facility, MEC has provided best practice sharing for chemical management (re: storage and secondary containment).

	<p>1. Chemical spillages are included in the Aspects &amp; Impacts revision. Please find attachment Annexure 1</p> <p>2. Adequate secondary containers will provide for Chemical containers without any spillages. - The new developed secondary container is installed and replaced the Old Existed secondary container.</p> <p>Supporting Documentation: (a) Annexure 2- Secondary Containment (b) STP chemicals kept under roof protection (photograph) (c) Annexure 1- Impact- 2015 PCK</p> <p><u>Progress Updates</u> 06/27/16: Please find attachment of the Aspect &amp; Impact Analysis for the STP Chemicals and Solid waste storage area (Annexure – 4)</p>
<b>Completion Date:</b>	06/11/16

**Verification Result:**

**1. Finding Status: Partially Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that factory has conducted an aspect and impact assessment for production processes on July 1, 2017. Solid waste is now stored in a separate area; however, the area is not enclosed.

**Root Causes:**

As stated by management waste is disposed periodically and is not allowed to build up, they felt that the area was not required to be enclosed hence it was not done.

**2. Finding Status: Remediated**

**Explanation:**

Based on visual observation, it was found that secondary containers with adequate capacity are provided for chemical containers of chemicals used in the STP area.

**Local Law or Code Requirement**

FLA Workplace Code (Health, Safety & Environment Benchmark HSE.9)

**Recommendations for Immediate Action**

1. Enclose the solid waste storage area.

<b>Action Plan Status:</b>	Item 1: Completed
<b>Planned Completion:</b>	Item 1: End of Mar 2018
<b>Progress Update:</b>	<p>Item 1: The Factory has enclosed the solid waste storage area. It is in a closed container. The Factory has provided photographs as evidence. The Factory has also assigned a person responsible for waste disposal on a weekly basis. The name of the responsible person and his contact number are displayed outside the container. The effectiveness of the system will be assessed on or before Mar 30, 2018. Pending on information from the facility how they will access the effectiveness of the new system.</p> <p>August 2018 update:</p> <p>Item 1: The Factory has enclosed the solid waste storage area. The Factory has provided photographs as evidence. The Factory has also assigned a person responsible for waste disposal on a weekly basis. The name of the responsible person and his contact number are displayed outside the container. The effectiveness of the system will be assessed by the responsible person by checking the records of waste disposal to</p>

	ensure the waste accumulated in the previous week is disposed. The responsible person will maintain accurate records. Please find the attached supporting documents.
<b>Completion Date:</b>	

## FINDING NO.4

### HEALTH & SAFETY

#### FINDING TYPE: Immediate Action Required

##### Finding Explanation

1. The factory's procedures do not provide information regarding emergency evacuation procedures and plans. [HSE.5, ER.31]
2. The factory's procedures do not provide information on what workers should do in case of an injury. [ER.31]
3. The factory has not addressed the results of the fire risk assessment conducted in September 2014. For example, the factory had not implemented a back-up power system for the smoke detectors. Additionally, it has not acted to reduce the fire risks as identified by the fire risk assessment. [HSE.5]
4. There are no functional fire alarms and fire extinguishers at the childcare facility. [HSE.6]

##### Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5 and HSE.6; Employment Relationship Benchmark ER.31)

##### Recommendations for Immediate Action

1. Ensure that childcare facility has a functional fire alarm and fire extinguishers.
2. Ensure that fire risks identified by the fire risk assessment are addressed immediately.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	06/11/16
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <ol style="list-style-type: none"> <li>1. The factory has an ERT – Emergency Response Team. They have displayed all responsibilities and details to workers and have educate the employees. Please find attachment Annexure: 2</li> <li>2. During Induction training, details are provided to the workers on the information of what workers should do in case of an injury. Please find attachment Annexure: 3</li> <li>3. A back-up power system Implemented as per the requirement please find the attachment Annexure-4</li> <li>4. The new Creche is 90% complete and we expect this to be ready by 29th February 2016. Functioning fire extinguishers, alarms, first aid kits, and emergency lighting have been installed. During the process of the new Creche being constructed, the Facility also provided fire extinguisher to the old crèche as the temporary arrangement. The current building states photograph ANNEXURE-IV enclosed for your reference</li> </ol> <p><u>Progress Updates</u></p> <p>06/27/16: Please find attachment of Emergency Response team &amp; their team members and responsibilities (Annexure 5) &amp; Emergency preparedness Procedure (Annexure 5A) Back up battery has been provided and regularly checked based upon SAI Fire safety Checklist. Please find enclosed the SAI fire safety checklist (Annexure 6) Functioning fire extinguishers, fire alarms, first aid kits, and emergency lighting installed in the new childcare area. Please find the photos of Creche in (Annexure -7)</p>
<b>Completion Date:</b>	

##### Verification Result:

1. **Finding Status:** Partially Remediated

**Explanation:** Based on management interviews and documentation review, it was found that factory has written procedures for emergency response situations which include fire safety, earth quake safety and chemical safety. Procedures do not define steps to maintain walkways clear. However, the procedure dated October 1, 2016 is printed on facility letterhead and the beginning statement reads as "This is the procedures of Morris Associates Pvt Ltd." and the document is signed by the Director of the facility. Management stated that their consultant had provided the document and hence the error with name of factory.

**Root Causes:** Management was not aware of information that is required to be included in procedures and depend on a consultant.

2. **Finding Status:** Not Remediated

**Explanation:** Based on management interviews and documentation review, it was found that the factory's procedures do not provide information on what workers should do in case of an injury.

**Root Causes:** As management stated, awareness is provided to workers during the orientation program and hence not included in the written procedures.

3. **Finding Status:** Partially Remediated

**Explanation:** Based on management interviews and documentation review, it was found that factory has not conducted a fire risk assessment in the last 12 months. Smoke detectors have been connected with battery backup.

**Root Causes:** Management had no explanation as to why the risk assessment was not conducted

4. **Finding Status:** Remediated

**Explanation:**

Based on visual observation, it was found that secondary containers with adequate capacity are provided for chemical containers of chemicals used in the STP area.

**Local Law or Code Requirement**

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.5 and HSE.6; Employment Relationship Benchmark ER.31)

**Recommendations for Immediate Action**

1. Policies and procedures should pertain to the factory.
2. Written procedures should include information on what workers need to do in case of injury.
3. Conduct fire risk assessment.

<b>Action Plan Status:</b>	Item 1: Completed Item 2: Completed Item 3: Completed
<b>Planned Completion:</b>	Item 1: Completed Item 2: End of Mar 2018 Item 3: Feb 15, 2018
<b>Progress Update:</b>	Item 1: The Factory has provided detailed procedures for MEC's review. Details of the steps to be taken at the time of an emergency are clearly outlined in the revised procedures; providing clearer information for evacuation mentioned in the new procedure

	<p>on page 2 (points 8 and 9 are related to clear and clean pathways). The director of the Factory signed on the policy. Pending on their confirmation of the wording "This is the procedures of Morris Associates Pvt Ltd." is removed from the new policy.</p> <p>Item 2: The Factory has provided detailed procedures for MEC's review. The details of first aid are on page 11 (Team C – Security-First Aid). It states, "<i>The first aid was given to the injured person; If an emergency, please call 108 for ambulance service.</i>" The Factory will give training on this policy and procedure on or before Mar 2018. The effectiveness will be analyzed before Mar 30, 2018. Pending on information from the facility how they will access the effectiveness of the new system.</p> <p>Item 3: The Factory will conduct a fire risk assessment and will submit evidence and an update to MEC on/before Feb 15, 2018. Pending on the information that whether the facility will have a regular assessment (annually?).</p> <p>August 2018 update:</p> <p>Item 1: The Factory has provided detailed procedures for MEC's review. Details of the steps to be taken at the time of an emergency are clearly outlined in the revised procedures; providing clearer information for evacuation mentioned in the new procedure on page 2 (points 8 and 9 are related to clear and clean pathways). The director of the Factory has signed the policy. The wording "<i>This is the procedures of Morris Associates Pvt Ltd.</i>" is removed from the new policy. Please find the attached supporting document.</p> <p>Item 2: The Factory has provided detailed procedures for MEC's review. The details of first aid are on page 11 (Team C – Security-First Aid). It states "<i>The first aid was given to the injured person; If an emergency, please call 108 for ambulance service.</i>" The Factory gave training on this policy and procedure in March 2018. The effectiveness was analyzed based on following elements: 1) whether the injured person knows the first aid trained employees in the floor 2) whether the injured employee treated by the first aid trained person immediately 3) whether the incident record is updated with root cause of the incident mentioned as per risk assessment 4) The observation is recorded. Please find the attached supporting document.</p> <p>Item 3: The Factory has conducted a fire risk assessment. The factory has a Health and safety committee who meets every 6 months. Attached for reference are a sample of their minutes.</p>
<b>Completion Date:</b>	

## FINDING NO.5

### HEALTH & SAFETY

#### FINDING TYPE: Immediate Action Required

##### Finding Explanation

1. Emergency lights are not installed above the exits, instead they are installed more than 3 feet from exits, on the walls. [HSE.5]
2. The platform of the ladder used to unload cartons in accessories storage does not provide enough space for workers using it. The platform is only 18" by 15". The ladder also topples over, if it is not supported by two other workers. [HSE.1]
3. There are no guard rails provided for the steps leading to boiler section. [HSE.1]
4. Four exit doors (2 in the dining hall, 1 in the power room, and 1 in the seam pressing section) are not marked as "exit", and no emergency lights are provided on these exits. [HSE.5]

## Local Law or Code Requirement

The Factories Act, 1948 -- Section 38 (1a) and Section 7A (2b); FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1)

## Recommendations for Immediate Action

1. Install emergency lights directly above exits.
2. Replace the ladder with a safe, stable, and sturdy ladder for workers to use.
3. Ensure there is adequate (30" by 30") space on the platform for workers to unload cartons on the ladder.
4. Install handrails on the steps leading to the boiler section.
5. Mark all exit doors and install emergency lights above these exits.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	02/03/16
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <p>1 and 4) Facility used the illumination Exit and Emergency Exit sign boards. Emergency lights (flood light lamp) are available near exits and emergency exits side walls which are focusing on path ways and entire area. During evacuation drill the ERT (Emergency Response Team) members were ensured about the emergency lights working conditions and the visibilities effectiveness. It was also noted during the factory visit that the facility is well equipped with emergency lighting. They are hung on the walls. All doors have additional lit exit signs</p> <p>2) We will check with the worker feasible of the ladder for their operations. Target Date: Feb 03, 2016</p> <p>3) Hand rails will be provided for the boiler room. Target Date: Feb 03, 2016</p> <p><u>Progress Updates</u></p> <p>06/27/16: Updates received on March 10, 2016: 2. A New Ladder was provided and replaced. Records of safety survey and evidence of any changed equipment as per safety requirement. Please see attached Annexure – 1 – Safety Checklist. Please find enclosed the Ladder photos in (Annexure 8) 3. Handrails for the boiler room have been installed. Please see supporting documentation.</p>
<b>Completion Date:</b>	03/10/16

## Verification Result:

1. **Finding Status:** Not Remediated

### **Root Causes:**

**Explanation:** Based on visual observation, it was found that the emergency lights are not installed above the exits and are installed on the wall approx. 3 to 5 feet away from Exits.

**Root Causes:** Management stated that due to maintenance reasons, lights could not be relocated above exits. Management was informed of the importance and procedures for installation of these lights above exits.

2. **Finding Status:** Remediated

### **Explanation:**

Based on visual observation, it was found that stable ladders with adequate standing area are used in storage areas.

3. **Finding Status:** Remediated

### **Explanation:**

Based on visual observation, it was found that hand rails are installed on the steps in front of the boiler section.

4. **Finding Status:** Partially Remediated

### **Explanation:**

Based on visual observation it was noted that all exits are marked in all work areas and the dining hall; however, emergency lights have not been installed above the exits from the dining area, the main exits from buildings 1 and 2, the Laser cutting room, and the fabric store.

**Root Causes:**

Management stated that they missed installing emergency lights in these areas due to oversight.

**Local Law or Code Requirement**

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

**Recommendations for Immediate Action**

1. Install emergency lights above the exits from all work areas and the dining area.

<b>Action Plan Status:</b>	Item 1: Completed  Item 4: Completed
<b>Planned Completion:</b>	Item 1: Jan 16, 2018  Item 4: Jan 16, 2018
<b>Progress Update:</b>	Item 1: The Factory has changed all the emergency lights to be located on top of the exit doors. The Factory has provided supporting documents as evidence. The Factory also assigned electrician to conduct monthly emergency lights check.  Item 4: Emergency lights have been installed above the exits in the dining area, the main exits from building 1 and 2, the Laser cutting room, and the fabric store. The Factory has provided supporting documents as evidence. The Factory also assigned electrician to conduct monthly emergency lights check.
<b>Completion Date:</b>	

**FINDING NO.6**

**COMPENSATION**

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. Overtime compensation is paid separately and not with general wages.
2. Overtime compensation is not included in calculations for contribution towards the legally mandated Employees State Insurance Scheme. [C.10]

**Local Law or Code Requirement**

The Employees State Insurance Act, 1948; FLA Workplace Code (Compensation Benchmark C.10)

**Recommendations for Immediate Action**

1. Ensure overtime compensation payments are paid by the 7th day after the end of the pay period with the general wages as legally required.
2. Include overtime compensation in the calculation for contribution towards Employee State Insurance.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	02/28/16

<b>Progress Update:</b>	<p><u>Original Action Plan</u>  Workers receive salary on last day of that month (i.e., 30/31). To ensure workers have money throughout the month, the facility has chosen to separate OT wages and pay during the mid-month of the following month. All policies and procedures are displayed in the communication boards for workers.</p> <p>200% of legal premium wages (double the normal wages) will be paid for overtime and mandatory Statutory deduction will be made for the OT wages.</p> <p>Employee Contribution: 1.75% of the OT wage  Employer Contribution: 4.75% of the OT wage</p> <p>Facility agreed and assured to take immediate action. Please find attachment- Annexure 2- Overtime Payment i) Compensation benefits &amp; calculation methods</p> <p><u>Progress Updates</u>  06/27/16: Please find Attachment the Overtime Policy &amp; Procedure Revised (Annexure-09) The Factory is currently paying Overtime during the middle of the Month. Our Policy and Procedure was amended to this effect on 01/10/2015</p>
<b>Completion Date:</b>	10/01/15

**Verification Result:**

1. **Finding Status:** **Not Remediated**

**Explanation:** Based on management and worker interviews and documentation review, it was found that overtime hours are compensated separately, after the payment of regular wages. The pay period for salary payment is from 27<sup>th</sup> day of a month to 26<sup>th</sup> day of following month and wages are paid by 30<sup>th</sup> day of the month. Pay period for Overtime work is 1<sup>st</sup> to 30<sup>th</sup> day of the month and compensation for overtime is paid by 10<sup>th</sup> day of following month. Work on rest days is paid as “Additional Incentive” in cash at the end of that day’s work. Legally, all payments are to be made with 7 days after the end of the pay period.

**Root Causes:** As stated by management, workers requested overtime compensation to be paid separately so they can better manage their finances for the month. There is no documented evidence of this request.

2. **Finding Status:** **Remediated**

**Explanation:** Based on management interviews and documentation review, it was found that compensation for overtime hours worked is included in the calculation of contribution towards benefit of Employees State Insurance.

**Local Law or Code Requirement**

The Factories Act, 1948; FLA Workplace Code (Compensation Benchmark C.10)

**Recommendations for Immediate Action**

1. Ensure overtime compensation payments are paid by the 7th day after the end of the pay period with the general wages as legally required.

<b>Action Plan Status:</b>	Item 1: Complete
<b>Planned Completion:</b>	Item 1: April 21, 2018
<b>Progress Update:</b>	Item 1: The Factory is working on the compensation software upgrade. It will be completed on/before Jan 22, 2018. Pending supporting document from the factory the software upgrade mainly is for recording overtime hours on regular days and on rest days so that this information can be generated on the pay slip. After the software

	<p>upgrade, the Factory will able to provide the payments for the employees within 7 days after the end of the pay period.</p> <p>The Factory will arrange an awareness training to all employees by Feb 15, 2018 once the software implementation is completed. The Factory will analyze the effectiveness before Mar 30, 2018. Pending on information from the facility how they will access the effectiveness of the new system.</p> <p>August 2018 Update:</p> <p>Item 1: The Factory finished the compensation software upgrade on Jan 22, 2018. The Factory also provided the HR software training to all employees. Workers in and out time are downloaded from biometric machines. Previously workers in and out time were captured manually. Working hours will be calculated by software and the overtime wages will be paid as per legal requirements. All the calculation done by computer to minimize errors. HR department also needs to check the records randomly before generating the reports. Please find attached the supporting document.</p> <p>After the software upgrade, the Factory will be able to provide the payments for the employees within 7 days after the end of the pay period.</p> <p>The Factory arranged an awareness training to all employees after the software implementation was completed. A training was arranged to HR staff on Feb 19, 2018. Please find attached the supporting documentation</p>
<b>Completion Date:</b>	

## FINDING NO.7

### HOURS OF WORK

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. 22 young workers, hired between 2013 and 2015, were working 8 hour per day as adults. For 11 workers, the factory had obtained in 2013, 2014, and 2015 the young workers Fitness Certificates, certifying them to work as adults. However, 11 remaining young workers do not have Fitness Certificates certifying their eligibility to work as adults. The lack of Fitness Certificates from 2013 to 2015 indicates that workers should not have been working 8 hours per day and should have only been working 4.5 hours per day instead as per local law. Additionally, the 11 young workers currently without Fitness Certificates should only be working 4.5 hours per day until the Fitness Certificate certifies their eligibility to work as adults. [HOW.1, HOW.4, HOW.5]
2. The factory does not identify special categories of workers, such as young workers or pregnant women, to limit their working hours. [HOW.1, HOW.4, HOW.5]

**Local Law or Code Requirement**

Factories Act 148 - Section 9(c); FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.4, and HOW.5)

**Recommendations for Immediate Action**

1. Ensure that workers under 18 years of age are not hired without the Fitness Certificate.
2. If workers are not certified as adults by the Fitness Certificates, they should only work for a maximum of 4.5 hours a day.
3. Establish a system to identify special categories of workers and implement required protections accordingly.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	10/29/15

<b>Progress Update:</b>	<p><u>Original Action Plan</u>  The factory has obtained Fitness Certificates and school certificates for all workers below 18 years old and renew them on an annual basis as per Engagement of Young Worker Procedure (attached)</p> <p>The Facility has a strict policy not to employ any workers under the age of 16 years (attached)</p> <p>The Factory has an Engagement of Young Worker Procedure (attached) that defines what a young worker is, procedures required for hiring and what type of work young workers can do at the factory.</p> <p>Young workers are provided separate identification system with the rope color for their ID cards (attached) - in relation to item 4 under this finding</p> <p>The factory has stopped recruiting young workers as we have faced enormous delay from government authorities in getting the fitness certificate for Young workers.</p> <p><u>Progress Updates</u>  06/27/16: Young workers are not recruited in the facility. Minimum Age for Recruitment for all levels of Employees is 18 years. Recruitment of Young workers has been stopped at the facility with effect from Oct 2015. Please find enclosed the recruitment policy and procedure (Rev)- Annexure 2. Pregnant workers are provided with separate badge system in our facility for identification and here enclosed the Pregnant Women Policy &amp; Procedure. (Annexure 4) Recruitment is done by conducting an Activity Test, Practical Test and Personal Interview by HR/ HR Assistant. During the interview process, HR collects the Age proofs such as Educational certificate, Marksheets and Voter Card, Aadhar Card which are approved by Government authority and having the DOB Details and photo copy of these documents are attached in the personal file.</p>
<b>Completion Date:</b>	02/29/16

**Verification Result:**

**1. Finding Status: Remediated**

**Explanation:**

Based on management and worker interviews and documentation review, the factory no longer hires workers below the age of 18.

**2. Finding Status: Partially Remediated**

**Explanation:**

Based on management and worker interviews and documentation review, it was found that factory does not employ young workers. One pregnant worker was seen working but could not be identified by assessor though HR team could identify the worker.

**Root Causes:**

As stated by the management, there are no special working hours for pregnant workers, hence they do not feel the need to identify these workers.

**Local Law or Code Requirement**

FLA Workplace Code (Hours of Work Benchmarks HOW.1 and HOW.5)

**Recommendations for Immediate Action**

1. Ensure that workers under 18 years of age are not hired without the Fitness Certificate.
2. If workers are not certified as adults by the Fitness Certificates, they should only work for a maximum of 4.5 hours a day.
3. Establish a system to identify special categories of workers and implement required protections accordingly.

<b>Action Plan Status:</b>	Item 1: Completed
<b>Planned Completion:</b>	Item 1: Aug 14, 2018
<b>Progress Update:</b>	<p>Item 1: The Factory is monitoring the pregnant ladies by Maternity register as of now. No pregnant women in the facility currently. The Factory will adopt the system of identification with accessories like scarf.</p> <p>The Factory will create policy procedure within Feb 15, 2018.</p> <p>The Factory will give awareness training to all employees on or before Mar 30, 2018.</p> <p>August 2018 Update:</p> <p>Item 1: The new policy arranged. The Factory arranged an awareness training to all employees. Please find attached the supporting documentation.</p>
<b>Completion Date:</b>	

## FINDING NO.8

### INDUSTRIAL RELATIONS

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. There is no worker representative structure in place that is independent from management interference. There is only a joint legally mandated Worker/Management Committee (also known as the Works Committee). [FOA.10, FOA.11, FOA.12]
2. Management does not provide a designate space for the Worker/Management Committee. [FOA.15]

#### Local Law or Code Requirement

FLA Workplace Code (Freedom of Association Benchmarks FOA.10, FOA.11, FOA.12, and FOA.15)

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	12/11/14
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <p>Finding was also noted during the sister factory's SCI assessment in 2012 and has been deemed as complete by the FLA.</p> <p>Workers select their representatives for Worker Committee. The committee is comprised of workers who represent workers only. Workers have received communication on the policies and procedures related to FOA.</p> <p>SUPPORTING DOCUMENTATION:</p> <ul style="list-style-type: none"> <li>- Freedom of association and collective bargaining Policy &amp; Procedure</li> <li>- Communication to all workers</li> <li>- SWC (Social Welfare Committee) meeting minutes</li> <li>- Health and Safety committee meeting minutes</li> </ul> <p>Please refer to presentation pages 20 to 23 regarding the works committee:</p> <ul style="list-style-type: none"> <li>- documentation on how the election and re-election is conducted at the facility.</li> <li>- how the SWC meeting minutes are communicated to the rest of the workers.</li> </ul> <p><u>Progress Updates</u></p>

	06/27/16: Designated places are available for Committee Meetings. Worker committee meeting at dining hall and management committee meetings held at training hall at PA - II. Committee members have reviewed this on 27.01.2016 and the Health & Safety committee meetings are now held once in two months. (Annexure 10). The Meetings are held on the Dining Hall to freely interact with employees (Except Lunch hours).
<b>Completion Date:</b>	01/27/16

**Verification Result:**

**1. Finding Status: Remediated**

**Explanation:**

Based on management and worker interviews and documentation review, it was found that factory has a functional works committee comprising of workers' and management representatives as legally required. There is no legal requirement to have a separate independent worker committee.

**2. Finding Status: Remediated**

**Explanation:**

Based on management and worker interviews and review of documentation, it was found that meetings are conducted in the factory provided office space.

**FINDING NO.9**

**TERMINATION & RETRENCHMENT**

**FINDING TYPE: Sustainable Improvement Required**

**Finding Explanation**

1. The factory does not have any written policies or procedures for Termination & Retrenchment; however, some documents and systems exist to calculate and pay termination dues. Calculations are recorded and payment documents are maintained with workers' acknowledgement of receiving the dues. [ER.1, ER.32]
2. As per factory practice, bonuses and wages for unused leave are paid every year during the festival season. In a case where worker resigns before the festival period, wages are paid at the time of termination of employment; however, the workers are required to return during festival period to collect the bonus and wages for unused leave, which is in violation of the law.
3. Instances were found where some workers had resigned in May 2013; however, a letter to these workers informing them to collect their due wages was issued in Feb 2015. Management stated that the dues were paid in 2013; however, they could not provide any documentary evidence of this.

**Local Law or Code Requirement**

Payment of Bonus Act, 1965; Factories Act 1948 - Accumulated leave; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.32.2)

**Recommendations for Immediate Action**

1. Pay minimum bonus of at least 8.33% of earnings while paying termination dues, and in case a higher bonus is declared later, the difference may be paid during the festival period. Other dues need to be paid immediately on termination of employment.
2. Ensure that termination dues are paid immediately, and appropriate documentation is maintained.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	10/01/15
<b>Progress Update:</b>	Original Action Plan Facility paid bonus amount during the festival period. The other settlements will be done immediately within a week time.

	<p>*Facility agree to pay the full &amp; final settlement at the time of employee quitting the job, as per the statutory norms.</p> <p>If any employees has worked 240 days in a calendar year, s/he becomes eligible for earned leave which is provided one day of paid leave for every twenty working days. We will have calculated and accumulated the unused leaves up to 30 days as per the statutory norms; all balance leave has been paid accordingly.</p> <p>If the employees are resigning by providing one month of notice period as per the standing order and/or employment contract, the factory will do the full and final settlement by the second working day. In many cases full and final settlement were not done due to resignation of the job without formal information which is required for full and final settlement.</p> <p>Please find Attachment- Annexure 4- Leave Payments i) Compensation benefits and calculation methods ii) Working Hours &amp; Remuneration Policy &amp; Procedure</p> <p><u>Progress Updates</u>  06/27/16: Please find attachment of the Disciplinary Action Procedure (Annexure 11) &amp; Termination Procedure in Standing Order (Annexure 11(A)). As per our Company standing order, when the employees quit their job by providing the required notice period of 30 days, all payments such as bonus, wages, unused leave wages are paid on the end of the last working day of their service. The Facility communicates all newly created / revised policy &amp; Procedure and renewed documents to the workforce through SWC Meetings. The Meeting Minutes of SWC is enclosed. (Annexure 5)</p>
<b>Completion Date:</b>	03/03/16

**Verification Result:**

**1. Finding Status: Not Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that factory does not have written policies and procedures on Termination and Retrenchment.

**Root Causes:**

**2. Finding Status: Not Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that wages for days worked after a pay period until the date of termination of employment is paid in the pay period of the month following the month of termination of employment. After the final pay period, after seven days, a letter is sent to the worker to collect wages for unused leave and gratuity (part of terminal dues). The annual Bonus is paid during the festival period (usually in October / November). Management sends a letter to workers who have left employment to collect their bonus. The above practice does not comply with legal requirements on timelines for payment of termination dues. A further concern with the current practice is that there could be a risk that the workers do not receive the letter, resulting in workers not receiving wages for unused leave and bonus.

**Root Causes:**

Management stated that above practice is followed for their easy accounting of payments.

**3. Finding Status: Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that letters are sent to workers who had resigned to collect their dues after their date of termination.

**Local Law or Code Requirement**

Industrial Employment (Standing Orders) Act, 1946 – section 13 – Termination of employment – (3); FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.32)

**Recommendations for Immediate Action**

1. Pay minimum bonus of at least 8.33% of earnings as legally required while paying termination dues, and in case a higher bonus is declared later, the difference may be paid during the festival period. Termination dues need to be paid within the legally defined timelines.

<b>Action Plan Status:</b>	Item 1: Completed  Item 2: Completed
<b>Planned Completion:</b>	Item 1: Aug 31, 2018  Item 2: January 18, 2019
<b>Progress Update:</b>	<p>Item 1: The Factory will provide all termination dues (wages) within time limit (within 48 hours) in the future, and all other dues (see below) within 1 month of termination. No employee has left the factory during the last 3 months period (Nov, Dec 2017 and Jan 2018). The Factory will create the policy and procedure for termination and dues by Feb 15, 2018, after which will arrange training on the written policy and procedures for termination and retrenchments to HR staff before Feb 15, 2018. The policy and procedure will be informed to the employees through training before Mar 30, 2018.</p> <p>Item 2: The wages will be provided to related workers within 48 hours. The other dues (e.g., earned leave balance, bonus, gratuity, etc.) will be paid within 1 month after termination of a worker. The Factory will create the policy and procedure for termination and dues within Feb 15, 2018. Training: Management level HR staff will be trained on the policy and procures including 1) how to implement the policy and procedures to ensure the wages will be paid within 48 hours and other dues like gratuity, bonus, earned leaves will be paid within 30 days after termination; 2) the new policy and procedures on termination dues will be informed to the employees by training. The above training will be completed on or before Feb 15, 2018. The effectiveness will be assessed by feedback form before Mar 30, 2018. Pending on information from the facility how they will access the effectiveness of the new system.</p> <p>August 2018 Update:</p> <p>Item 1: The Factory confirmed they will provide all termination dues (wages) within a 48-hour time limit in the future. All other dues (see below) within 1 month of termination. No employee has left the factory during the last 3 months period (Nov, Dec 2017 and Jan 2018). The Factory created the policy and procedure for termination and dues by Apr 21, 2018 and have arranged training on the written policy and procedures for termination and retrenchments to HR staff. Please find attached the supporting documentation.</p> <p>Item 2: The Factory submitted the revised Remuneration procedure which mentions that unused leave and wages will be paid within 1-month time after the employee left the company. The Factory submitted the internal audit blank form. Please find attached the supporting documentation.</p> <p>Update Jan 18, 2019: The factory has implemented a system to settle the dues within one-month period and attached the evidence Annexure-1 to 3. Documentation available upon request.</p>
<b>Completion Date:</b>	

# ENVIRONMENTAL PROTECTION

## FINDING TYPE: Sustainable Improvement Required

### Finding Explanation

1. There are no policies or procedures on environmental protection; however, there is a commitment towards environmental protection in the factory's Integrated policy on health and safety. [ER.1, ER.31]
2. The factory's solid waste storage areas are segregated; however, they are not enclosed. [HSE.1]
3. The sludge tank is not labeled. [HSE.1]
4. The stack (pipe) height of both power generators is not high enough to prevent fumes from entering the nearby buildings. This height is not compliant with legal calculation requirement. [HSE.1]

### Local Law or Code Requirement

The hazardous Waste Management and Handling Rules, 1989 – Rule 4 (1); Regulation 22 of Central pollution Control Board, emission regulations part IV, COINS/26/1986-87 – Diesel Generator Sets – Stack Height; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.31; Health, Safety & Environment Benchmarks HSE.1 and HSE.9)

### Recommendations for Immediate Action

1. Ensure that the solid waste storage is enclosed.
2. Label the sludge tank with the contents of the sludge and a warning of the hazardous content.
3. Use the following formula to calculate the legally required stack height increases:  $H = h + 0.2 \times \sqrt{kva}$  (where H= Total height of stack in meters/ h= Height of building meters where the generator set is installed. kva= Generator capacity.)

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	02/03/16
<b>Progress Update:</b>	<u>Original Action Plan</u> *Waste will be properly segregate as per the requirement. *Sludge tank will be labelled *Our stack (pipe) height of 2 power generators are approved by the electrical inspectorate department and issued certificate for the same. Target Date: Feb 03, 2016  <u>Progress Updates</u> 06/27/16: As per factory's update on March 10, 2016, please find attached supporting documentation that shows items addressed: 1. Environmental Policy has been included into the Health and Safety Policy and Procedures. 2. Factory's waste enclosed with lids 3. Sludge tank has now been labelled. 4. Certification of approval by Electrical Inspectorate. The Environment policy as amended on 01.12.2015 is enclosed. (Annexure12) The Generator pipe (Stack) has been increased as per the safety standard. Here photo enclosed. (Annexure 13). The Generator Certificate issued by the Government authority personnel is valid without any restriction on time frame.
<b>Completion Date:</b>	03/10/16

### Verification Result:

#### 1. Finding Status: Remediated

##### **Explanation:**

Based on management interviews and documentation review, it was found that factory has written procedures on environmental management

#### 2. Finding Status: Not Remediated

##### **Explanation:**

Based on visual inspection, the waste area is not enclosed.

**Root Causes:**

Management stated that waste is disposed at shorter intervals hence is not allowed to accumulate. They felt that there was no need for enclosing the storage area as much quantity is not stored.

**3. Finding Status: Remediated****Explanation:**

Based on visual inspection, the sludge tank is labeled.

**4. Finding Status: Remediated****Explanation:**

Based on visual inspection, the stack height of the exhaust pipes has been increased to comply with legal requirements.

**Local Law or Code Requirement**

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.9) <split>Recommendation for immediate action<split>Enclose waste storage area

**Recommendations for Immediate Action**

1. Enclose waste storage area.

<b>Action Plan Status:</b>	Item 2: In progress
<b>Planned Completion:</b>	Item 2: End of Mar 2018
<b>Progress Update:</b>	Item 2: The Factory has enclosed the solid waste storage area. It is a closed container. The Factory has provided photographs as evidence. The Factory has also assigned a person responsible for waste disposal on a weekly basis. The name of the responsible person and his contact number are displayed outside the container. The effectiveness of the system will be assessed on or before Mar 30, 2018.
<b>Completion Date:</b>	

**FINDING NO.11****HEALTH & SAFETY**

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. The factory has written procedures on Health & Safety; however, these do not cover for most of the FLA Workplace Code & Benchmarks. The factories Health & Safety policies and procedures do not include measures to protect workers' reproductive health, methods for workers to raise Health & Safety concerns, and protection from retaliation for workers who raise concerns. ND.8, ER.31, HSE.12
2. The factory does not make Health and Safety documents available to workers. HSE.2
3. The five workers who do heavy lifting are not provided with training on proper lifting techniques and not provided with support belts. HSE.8, HSE.17
4. There is no training for maintenance safety. HSE.14
5. There is no Lock-out /Tag-out system for electrical maintenance safety. HSE.1, HSE.13
6. The factory does not have a safety manual for external contractor safety. ER.31

## Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.2 HSE.8, HSE.12, HSE.13, HSE.14, and HSE.17; Nondiscrimination Benchmark ND.8; Employment Relationship Benchmark ER.31)

## Recommendations for Immediate Action

1. Ensure workers are provided with the proper lifting techniques and are provided support belts.
2. Implement a Lock-out/Tag-out system for electrical maintenance safety.

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	03/31/16
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <p>2. Please refer to presentation page 35 for the training log information - training on maintenance safety and health and safety (re: making documents available).</p> <p>5. Implement a Lock-out/Tag-out system for electrical maintenance safety - Please find attachment Annexure 4</p> <p><u>Progress Updates</u></p> <p>06/27/16: As per provided supporting documentation (attached) from the facility, it is deemed that all items are complete. 1. Please find attachment of Annexure 4 - Health &amp; Safety Policy Refer:3.2 - Methods to raise and the protection from retaliation for workers who raise concerns is provided in the Grievance Policy and Procedure. 3. Documentation evidence of training to workers who are heavy lifting 4. Training proof documents for maintenance safety 5. Lock out/tag out policy 6. Safety manual for contractors. Please note that in the Factory's health and safety policy, they have also included information pertaining to contractors. The FLA's suggestion to share health &amp; safety procedure to workers via boards are well taken and will be followed. The HIRA being followed in facility for workers who handle lifting of load as enclosed. (Annexure 14). This will be implemented from 22.06.2016.</p>
<b>Completion Date:</b>	06/22/16

## Verification Result:

### 1. Finding Status: **Not Remediated**

#### **Explanation:**

Based on management interviews and documentation review, it was found that written procedures on Health and safety do not cover for most of the FLA Workplace Code & Benchmarks. The factories Health & Safety policies and procedures do not include measures to protect workers' reproductive health, methods for workers to raise Health & Safety concerns, and protection from retaliation for workers who raise concerns, Steps on how to ensure that all personnel, visitors, contractors, service providers safely evacuated and Steps on how to ensure that all special categories of workers and children in childcare facilities safely evacuated.

#### **Root Causes:**

Lack of understanding of the requirement by the management. Concerns pertaining to Health and Safety are raised by workers and addressed hence the need of having written procedures were not considered.

### 2. Finding Status: **Remediated**

#### **Explanation:**

Based on worker interviews it was found that health and safety documents are made available to workers.

### 3. Finding Status: **Not Remediated**

#### **Explanation:**

Based on worker interviews, a review of documents, and from factory tour, it was found that workers who do heavy lifting are not provided with training on proper lifting techniques and not provided with support belts.

**Root Causes:**

Management believed that lifting belts are not required to be provided, as workers do not lift heavy material, except for fabric bundles. Hence no training has been provided

**4. Finding Status:** Not Remediated

**Explanation:**

Based on management and worker interviews and documentation review, it was found that no training is provided for maintenance safety.

**Root Causes:**

Management stated that a qualified maintenance team is engaged in maintenance work and hence no separate training is provided. While the electricians hold valid licenses, no other training is provided for maintenance workers.

**5. Finding Status:** Not Remediated

**Explanation:**

Based on interviews with management and maintenance workers and documentation review, it was found that a lock out – tag out system is not used during maintenance work.

**Root Causes:**

Lack of clear understanding of the procedures for a Lockout-tagout system by management.

**6. Finding Status:** Not Remediated

**Explanation:**

Based on management interviews and documentation review, it was found that factory does not have a safety manual for external contractors. Building painting work is done by external contractors who work at heights.

**Root Causes:**

External contractors are not often used and hence safety manual has not been prepared.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relation benchmark ER 31; Non-Discrimination benchmark ND 8 and Health, Safety and Environment Benchmarks HSE 1, HSE 8, HSE 12, HSE 14 and HSE 17).

**Recommendations for Immediate Action**

1. Ensure workers are provided with the proper lifting techniques and are provided support belts.
2. Implement a Lock-out/Tag-out system for electrical maintenance safety.

<b>Action Plan Status:</b>	Item 1: Completed Item 3: Completed Item 4: Completed Item 5: Completed Item 6: Completed
<b>Planned Completion:</b>	Item 1: Feb 28, 2018 Item 3: Feb 28, 2018 Item 4: Mar 30, 2018

	<p>Item 5: Mar 30, 2018</p> <p>Item 6: Mar 30, 2018</p> <p><b>Progress Update:</b></p> <p>Item 1: The Factory will update the Health and Safety policies and procedures include 1) measures to protect workers' reproductive health, 2) methods for workers to raise Health &amp; Safety concerns, and 3) protection from retaliation for workers who raise concerns, 4) Steps on how to ensure that all personnel, visitors, contractors, service providers safely evacuated and 5) Steps on how to ensure that all special categories of workers and children in childcare facilities safely evacuated.</p> <p>The Factory will give awareness training to the workers and supervisors by Mar 30, 2018. The Factory will provide training on FLA benchmarks and health and safety procedure before Mar 30, 2018.</p> <p>Item 3: The Factory only has the load-men conduct jobs related to handling the heavy material like fabric bundles. The Factory will arrange training to them before Feb 15, 2018. The material handling training documents in local language are attached. The Factory will also arrange ergonomic assessment after Mar 2018; this will help determine if there is any requirement for lifting belts, etc.</p> <p>Item 4: The Factory has provided the safety training to their maintenance staff (please see attached evidence). The maintenance training has been added in the annual training planner. The Factory will send the training feedback form on Feb 28, 2018.</p> <p>Item 5: The Factory will implement a lock out – tag out procedure and will use it during machine maintenance. The Factory will arrange the training and evaluate the training effectiveness on or before Feb 28, 2018.</p> <p>Item 6: The Factory will create policy for external contractors with safety instruction and monitoring systems. The Factory will arrange training and evaluate the training effectiveness on or before Feb 28, 2018. Pending on information from the facility how they will access the effectiveness of the new system.</p> <p>August 2018 update:</p> <p>Item 1: The Factory updated the Health and Safety policies and procedures including: 1) measures to protect workers' reproductive health; 2) methods for workers to raise Health &amp; Safety concerns; 3) protection from retaliation for workers who raise concerns; 4) steps on how to ensure that all personnel, visitors, contractors, service providers safely evacuated; and, 5) steps on how to ensure that all special categories of workers and children in childcare facilities can safely evacuate. All were completed on June 6, 2018. The Factory also arranged the training to all the workers. Please find attached the supporting documentation.</p> <p>Item 3: The Factory only has the load-men conduct jobs related to handling heavy material like fabric bundles. The Factory arranged training to the loading employees on Apr 21, 2018. The material handling training documents in local language are attached. MEC is waiting for The Factory to provide the information regarding the ergonomic assessment, which will help determine if there is any requirement for lifting belts, etc.</p> <p>Item 4: The Factory has provided the safety training to their maintenance staff (please see attached evidence). The maintenance training has been added in the annual training planner. The Factory also finished the training feedback form on Apr 21, 2018.</p> <p>Item 5: The Factory implemented a lock out – tag out procedure to be used during machine maintenance. The Factory arranged training. Please find attached the supporting documentation.</p>
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	<p>Item 6: MEC is still waiting for the Factory to create a policy for external contractors with safety instruction and monitoring systems. MEC is also waiting for the Factory to arrange training, as well as to evaluate the training effectiveness.</p> <p>March 2019 update:</p> <p>Item 3: The factory has completed an ergonomic assessment. No additional equipment was deemed required.</p> <p>Item 6: The factory has created the Health and safety policy for external contractors. This has been reviewed and deemed complete.</p>
<b>Completion Date:</b>	<p>Item 1: Aug 14, 2018</p> <p>Item 3: Sep 30, 2018</p> <p>Item 4: Apr 21, 2018</p> <p>Item 5: Aug 14, 2018</p> <p>Item 6: November 13, 2018</p>

## FINDING NO.12

### COMMUNICATION (MACRO)

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. The factory does not communicate to workers on the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination and Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System, and Health, Safety & Environment. [ER.1, ER.16, ER.29, ER.30, ER.32]

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.29, ER.30, and ER.32)

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	12/31/15
<b>Progress Update:</b>	<p><u>Original Action Plan</u></p> <p>Please note: This finding was also noted during the sister factory's SCI assessment and has been deemed as complete by the FLA.</p> <p>Please refer to presentation page 35 for the training log information</p> <p>Factory's Taken Actions:</p> <ul style="list-style-type: none"> <li>- Training sessions were conducted to improve the awareness levels</li> <li>- Well defined policy and procedures are available and communicated</li> <li>- Suggestions and complaints received if any will follow the procedure</li> <li>- All grievance updates are communicated to the entire workforce via the notice board</li> <li>- Environmental protection related policy &amp; procedures are communicated to the workers via' notice board and training</li> <li>- Walk a-round report for work place monitoring on once in a month, daily cleaning log maintaining and monitoring</li> </ul>

	<p>Factories Proposed Plan of Action:</p> <ul style="list-style-type: none"> <li>- Training sessions were conducted to improve the awareness levels</li> <li>- Well defined policy and procedures are available and communicated</li> <li>- Suggestions and complaints received if any will follow the procedure</li> <li>- All grievance updates are communicated to the entire workforce thro notice board</li> <li>- Environmental protection related policy &amp; procedures are communicated to the workers via notice board and training</li> <li>- Walk a-round report for work place monitoring on once in a month, daily cleaning log maintaining and monitoring</li> </ul> <p>Please refer to power point presentation pages 14 and 47 for more information. Our approved standing order describe termination &amp; retrenchment practices</p> <p>Target date: For designing: Oct 2015  Verification: Nov 2015  Communication: Dec 2015</p> <p>The policy/procedure for termination and retrenchment details are also included in the employment contract and conditions.</p> <p><u>Progress Updates</u>  06/27/16: Please see above and attached.</p>
<b>Completion Date:</b>	03/03/16

**Verification Result:**

**1. Finding Status: Partially Remediated**

**Explanation:**

Based on management and worker interviews and documentation review, it was found that the factory does not communicate to workers on the following Employment Functions: Recruitment, Hiring & Personnel Development, Termination and Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System. Awareness is provided during induction program on all employment functions. Training on Health, Safety & Environment includes safe use of sharp tools, fire safety and PPE and does not include other aspects like safe operation of machinery, machine and electrical safety, Ergonomics, Sanitation, and waste management.

**Root Causes:**

Management stated that there was no specific reason for not conducting training. It was lack of monitoring and implementation.

**Local Law or Code Requirement**

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.29, ER.30, and ER.32)

<b>Action Plan Status:</b>	Item 1: Completed
<b>Planned Completion:</b>	Item 1: Mar 30, 2018
<b>Progress Update:</b>	<p>Item 1: The Factory will communicate and create awareness training of the following functions: recruitment, hiring and personnel development, termination &amp; retrenchment, industrial relation, workplace conduct &amp; discipline, grievance system, safe operation of machinery, machine and electrical safety, ergonomics, sanitation, and waste management. The Factory will provide trainings on or before Mar 30, 2018. The Factory will analyze the effectiveness of the training by feedback form. The Factory also sent the feedback form sample to MEC for review.</p> <p>August 2018 Update:</p> <p>Item 1: The Factory has created awareness training of the following functions: recruitment, hiring, personnel development, termination &amp; retrenchment, industrial relation, workplace conduct &amp; discipline,</p>

	grievance system, safe operation of machinery, machine & electrical safety, ergonomics, sanitation, and waste management. All information was included in the orientation training. The Factory finished training to the existing employees during the second week of February and complete all the training in May 2018. The training was conducted for all employees and was given by designated staff and IMS team. The HR department is responsible for the training. Please refer to the supporting document related to the Training.
<b>Completion Date:</b>	Item 1: Feb 10, 2018

## FINDING NO.13

### WORKPLACE CONDUCT & DISCIPLINE

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

1. The factory does not record any warnings and disciplinary actions, and there are no records of disciplinary actions in the employees' personnel files. [ER.2]
2. Employees do not sign off on any written records of disciplinary action taken against them. [ER.27]

**Local Law or Code Requirement**

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

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	07/31/16
<b>Progress Update:</b>	<p><u>Original Action Plan</u> The factory has reported that there have been no Disciplinary Action against the employees to date. Employees are counselled and guided by the Production HR personnel.</p> <p>It is recommended the factory add into the Disciplinary Procedure that workers will sign written records of disciplinary action taken against them.</p> <p><u>Progress Updates</u> 10/18/16: On our existing personnel files, we maintain a record showing the disciplinary action. Please find attached a document on this in Tamil (Translated in English for your reference). We record on this document that either "disciplinary action taken " or "not taken" and take the Employees signature on confirm their review and acknowledgement. We attach herein the following documents for your reference. 1. The document wherein we have filled the details. 2. The other empty document with English translation</p> <p>06/27/16: As per the update provided by the factory on March 10, 2016: Facility does not want to take any disciplinary action against any employee. They have provided the policy in the case of requiring disciplinary action. Please note that no disciplinary actions have been taken to date. Please find attachment of Annexure 7 &amp; Annexure 8. The Procedure followed by the facility for taking disciplinary action is enclosed. However, so far there is no disciplinary action taken against the employees. Please find attach the Disciplinary Action record (Annexure 15). MEC Comments: As per the FLA's recommendations, even though there have been no instances where disciplinary action</p>

	is required, we do support the FLA in their suggestion to have a formal policy should the Factory need to execute a disciplinary action. Please find attached a guidance document from the FLA on creating a policy. Factory Comments: We need some time to study FLA Suggested documents on this and we will revert on this, by end of the July 2016.
<b>Completion Date:</b>	08/03/16

**Verification Result:**

**1. Finding Status: Remediated**

**Explanation:**

Based on management and worker interviews and documentation review, it was found that no disciplinary action has been taken so far. Workers are counseled for any shortfalls.

**2. Finding Status: Remediated**

**Explanation:**

Based on management and worker interviews and documentation review, it was found that no written disciplinary action has been taken against any worker so far hence there are is no evidence.

**FINDING NO.14**

**GRIEVANCE SYSTEM**

**FINDING TYPE: Sustainable Improvement Required**

**Finding Explanation**

1. There are no written grievance procedures, but some documents and systems exist, such as the Grievance Committee (with elected representative workers in addition to management representatives) and suggestion boxes. [ER.25]
2. The factory only maintains partial documentation for grievance procedures. The Grievance Committee records grievance reported; however, the grievances submitted are not categorized by severity, further action is not recorded, and records do not indicate whether grievance remains open or has been closed. [ER.2]

**Local Law or Code Requirement**

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

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	03/03/16
<b>Progress Update:</b>	<p><u>Original Action Plan</u> The facility has created "Suggestion/Grievance Handling - Policy and Procedure". See supporting documentation.</p> <p>Reportable and non-reportable grievances are categorized and grouped as per our Grievance handling &amp; Industrial counselling mechanism to handle the issues.</p> <p>Please find attachments</p> <p><u>Progress Updates</u> 06/27/16: The Facility maintains the record of Suggestion Boxes reported. Please find enclosed the document (Annexure 16). The Grievances received and reviewed by the</p>

	management and the action taken for implementation are conveyed through SWC members, through meetings/ Circulars and display on the notice boards.
<b>Completion Date:</b>	03/03/16

**Verification Result:**

**1. Finding Status: Partially Remediated**

**Explanation:**

Based on management interviews and documentation review, it was found that factory has some written grievance system procedures, however, it does not include FLA benchmarks which allow workers to report to supervisors and time lines for addressing grievances. Clause 12.0 in the written procedures state that complaint box would be opened once in 15 days and clause 15 states that response to grievances will be provided within 30 days. This practice may discourage workers from using the box. Procedures to prioritize and timelines for addressing grievances based on nature of the grievance is not defined.

**Root Causes:**

Management is not aware of FLA benchmarks and need to include all procedures.

**2. Finding Status: Remediated**

**Explanation:**

Based on management interviews and documentation review, complete documentation is maintained for reported grievances and actions taken.

**Local Law or Code Requirement**

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

<b>Action Plan Status:</b>	Item 1: Completed
<b>Planned Completion:</b>	Item 1: Mar 30, 2018
<b>Progress Update:</b>	<p>Item 1: The Factory will update the grievance procedures to include reporting to supervisors directly, as well as time lines for addressing grievances. They will change the box opening timelines in accordance with nature of grievance. Pending on the information regarding how often the box will be opened and the factory to create a list of grievance types and the timelines to respond.</p> <p>The Factory will provide the training material before Mar 2018.</p> <p>August 2018 Update:</p> <p>Item 1: The Factory updated the grievance procedures to include reporting to supervisors directly, as well as time lines for addressing grievances. They will change the box opening timelines in accordance with nature of grievance. The box will be opened in every 15 days and the factory created a flow chart list of the different grievance channels. The training to employees was also included in the orientation training program. The Factory finished training to the existing employees during the second week of February and completed all training in May 2018. The training conducted for all the employees and will be given by designated staff and IMS team. The HR department is responsible for the training. Please refer to the supporting document related to the Training.</p>
<b>Completion Date:</b>	Item 1: Feb 10, 2018

## FINDING NO.15

### REVIEW PROCESS (MACRO)

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. The factory does not periodically review its policies, procedures and their implementation for any of the Employment Functions. [ER.1, ER.30, ER.31]

#### Local Law or Code Requirement

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

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	03/03/16
<b>Progress Update:</b>	<u>Original Action Plan</u> Please Note: This finding was also noted during the sister facility's 2012 SCI assessment and has been deemed as complete by the FLA. The Facility is certified under IMS & SA 8000 standard since June 03, 2004. All documents have adequate information and revisions details as per our standard requirement. Change request slip and document amendment register is maintained. The facility's policies & procedures are reviewed during Management Review Meeting. SUPPORTING DOCUMENTS: Change request slip Amendment sheet PowerPoint presentation pages 10 to 12 regarding policy review process.  <u>Progress Updates</u> 06/27/16: The Policy and Procedure are reviewed once in six months during Management Review Meeting. We are maintaining the record of review Policy name & number and this document is enclosed. (Annexure-17)
<b>Completion Date:</b>	03/03/16

#### Verification Result:

1. Finding Status: **Partially Remediated**

##### **Explanation:**

Based on management interviews and documentation review, it was found that review period for written policies and procedures are not defined. These were last revised on October 1, 2016.

##### **Root Causes:**

Management stated that these are revised when required, hence there is no specific period mentioned.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1)

<b>Action Plan Status:</b>	Item 1: Completed
<b>Planned Completion:</b>	Item 1: Mar 30, 2018
<b>Progress Update:</b>	Item 1: Factory management will review all factory policies and procedures and will start to record review/revision dates in the amendment sheet. The revised policies and procedures will be communicated to employees on or before Mar 30, 2018 once any amendments are confirmed. The Factory will also send the amendments to MEC for review.

	<p>August 2018 update:</p> <p>Item 1: Factory management reviewed all factory policies and procedures and recorded review/revision dates in the amendment sheet. The revised policies and procedures were communicated to employees in March 2018 as amendments were confirmed. The Factory sent the amendments to MEC for review.</p>
<b>Completion Date:</b>	

## FINDING NO.16

### WORKER INTEGRATION (MACRO)

**FINDING TYPE:** Sustainable Improvement Required

**Finding Explanation**

- 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, ER.25]

**Local Law or Code Requirement**

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

<b>Action Plan Status:</b>	Completed
<b>Planned Completion:</b>	03/10/16
<b>Progress Update:</b>	<p><u>Original Action Plan</u>  Facility gives the opportunity to the Work Committee members to provide inputs and feedback on the facility's policy and procedures; requesting them to share necessary and recommended updates.</p> <p><u>Progress Updates</u>  06/27/16: Agreed by FLA.</p>
<b>Completion Date:</b>	06/11/16

**Verification Result:**

1. Finding Status: **Not Remediated**

**Explanation:**

Based on worker interviews and documentation review, it was found that worker representatives in the works committee are not consulted while policies and procedures are drafted

**Root Causes:**

Management stated that policies and procedures are drafted based on legal guidelines, hence workers are not consulted.

## Local Law or Code Requirement

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

<b>Action Plan Status:</b>	Item 1: Completed
<b>Planned Completion:</b>	Item 1: Mar 30, 2018
<b>Progress Update:</b>	<p>Item 1: The Factory will arrange a meeting with worker representatives to provide awareness training to all policies and procedures; consulting for feedback. The Factory will revise the policy and procedure drafting process and the details of the revisions will be recorded in the amendment form. The Factory will ask for worker feedback on or before Mar 30, 2018. Factory will send the feedback information to MEC for review.</p> <p>August 2018 Update: Item 1: The Factory arranged a meeting with the worker representatives to provide awareness training of all policies and procedures; consulting for feedback on March 27, 2018. The Factory revised the policy and procedure drafting process and the details of the revisions are recorded in the amendment form. Please find attached photo supporting. MEC recommended the factory provide us with a written record to show workers feedback.</p>
<b>Completion Date:</b>	Item 1: April 21, 2018

## (NEW) FINDING NO.17

## HEALTH & SAFETY (GENERAL)

**FINDING TYPE:** Immediate Action Required

### Finding Explanation

1. Needle guards are pushed upwards on the sewing machines, rendering them ineffective. [HSE.14]
2. Overlock machine operators were not using dust masks. [HSE.7]
3. Rest areas are not provided for workers with standing jobs, as legally required. [HSE.17]
4. Traffic lanes are not marked inside the factory. The factory does provide any visual management such as indicators, convex mirrors in blind ends, reflectors, etc., to ensure safe driving practices on factory. [HSE.1]
5. The evacuation drill logs are recorded incorrectly. The factory has filled in "Non-applicable" for several required items (assembly by team, cordon off area, people affected by evacuation, etc). Drills are conducted after lunch, close to the end of working hours, management confirmed that drills are planned to minimize loss of production time. [HSE.5]

## Local Law or Code Requirement

Factories Act 1948 section 7, section 8 and FLA workplace code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.7, HSE.14, and HSE.17)

### Recommendations for Immediate Action

1. Install appropriate needle guards to ensure they are in the correct position.
2. Monitor and ensure that overlock machine operators use dust masks.
3. Provide rest areas for workers with standing jobs.
4. Mark traffic lanes inside the factory and provide visual management such as indicators, convex mirrors in blind ends, reflectors, etc., to ensure safe driving practices at the factory
5. Maintain appropriate and accurate information in the evacuation drills logs. Conduct drills at different times of the work day.

<b>Action Plan Status:</b>	Item 1: Completed  Item 2: Completed
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	<p>Item 3: Completed</p> <p>Item 4: Completed</p> <p>Item 5: Completed</p>
<b>Planned Completion:</b>	<p>Item 1: Dec 4, 2017</p> <p>Item 2: Dec 4, 2017</p> <p>Item 4: January 18, 2019</p> <p>Item 5: Mar 24, 2018</p>
<b>Progress Update:</b>	<p>Item 1: The Factory has provided needle guard awareness training to all employees on Nov 25, 2017. Supporting documents included internal check document sent to MEC on Dec 4, 2017. Pending on checking with the factory whether needle guard awareness training also in the training calendar.</p> <p>Item 2: The Factory has provided proper use of safety mask awareness training to related employees on Nov 25, 2017. Supporting document include internal check document sent to MEC on Dec 4, 2017. Pending on checking with the factory whether needle guard awareness training also in the training calendar.</p> <p>Item 3: The Factory has provided a rest area to the employees on Nov 28, 2017. Supporting documents sent to MEC on Nov 28, 2017.</p> <p>Item 4: The Factory installed a traffic mirror in the blind spot of the entrance in the facility. The Factory will designate the internal traffic lanes for vehicle and human movements on or before Feb 15, 2018. The Factory will inform all workers and drivers to follow the new procedure by notice board on Feb 15, 2018.</p> <p>Item 5: The Factory will conduct a detailed mock drill (assembly by team, cordon off area, people affected by evacuation, etc.) on or before Jan 27, 2018. Pending on supporting document from the factory.</p> <p>August 2018 Update:</p> <p>Item 1: The Factory has provided needle guard awareness training to all employees on Nov 25, 2017. Supporting documents included internal check document sent to MEC on Dec 4, 2017. The needle guard awareness training has been included in the training calendar, under the personal protective equipment training.</p> <p>Item 2: The Factory has provided proper use of safety mask awareness training to related employees on Nov 25, 2017. Supporting documents include the internal check document sent to MEC on Dec 4, 2017. The proper use of safety masks awareness training was also included in the training calendar, under the personal protective equipment training.</p> <p>Item 4: The Factory installed a traffic mirrors in the blind spots of the entrance in the facility. MEC is waiting for the Factory's update regarding are designated internal traffic lanes and if they are for vehicle and human movements, as well as whether the Factory has informed all workers and drivers to follow the new procedure on the notice board.</p> <p>Update March 7, 2019: The factory has created internal traffic lanes as confirmed through document review.</p> <p>Item 5: The Factory conducted a detailed mock drill (assembly by team, cordon off area, people affected by evacuation, etc.) on March 24, 2018. Please find attached the supporting documentation.</p>
<b>Completion Date:</b>	

## (NEW) FINDING NO.18

### HOURS OF WORK

**FINDING TYPE:** Immediate Action Required

#### Finding Explanation

1. The number of hours worked on rest days are not recorded at all, and official time records show that no time was worked on these days. Compensation records called "Additional Incentive" reflect a fixed amount of pay for all workers, paid in cash at the end of the day's work. The amount paid is higher than the wage rate per day calculated at legal premium rates. Management stated that workers requested cash payment, hence the current practice. If the time recording system is used, compensation gets calculated in the system, and can be paid only at the end of pay period. In the absence of time records for work done on rest day, the accuracy of compensation records cannot be completely verified. [ER.2, ER.23, HOW.1.1]
2. Based on review of separate pay records maintained for work done on rest days: 21 workers on June 4, 2017, 24 workers on June 25, 27 workers on July 2, 2017, and 48 workers on July 16, 2017 worked on rest day. This resulted in 13 days of continuous work without a rest day. [HOW.2]

#### Local Law or Code Requirement

Factories Act 1948 section 9; FLA workplace code (Employment Relations Benchmarks ER.2 and ER.23; Hours of Work Benchmarks HOW.1 and HOW.2)

#### Recommendations for Immediate Action

1. Record all hours worked, including work done on rest days, on time cards.
2. Provide workers a day off in every seven-day period. In case of work on rest day, a compensatory rest day should be provided within 3 days prior to or after the rest day worked.

<b>Action Plan Status:</b>	Item 1: In progress  Item 2: In progress
<b>Planned Completion:</b>	Item 1: Feb 5, 2018  Item 2: Sep 30, 2018
<b>Progress Update:</b>	Item 1: The Factory is currently upgrading their internal software, which will be complete before Jan 22, 2018. At present the Factory is using a manual system to calculate the rest day working information and manually inputting the information to the existing software so that the rest day working time in and time out will be captured. After the software upgrade, all this information will automatically show up in the new system. The Factory will provide awareness training to all employees. The training and assessment will be completed on or before Feb 5, 2018.  Item 2: The Factory will create a policy related to providing workers with one day off in every seven-day period. In case of work on rest day, a compensatory rest day will be provided within 3 days prior to or after the rest day worked on. The policy will be created by Feb 15, 2018. The awareness training for the new policy will be given to employees on Mar 31, 2018. The assessment will be done on Mar 31, 2018. Pending on the information related to the assessment. Is this assessment related to the training or related to the system? The HR department will be responsible to communication the information about all policy changes.  August 2018 Update:  Item 1: The Factory finished the working hours and pay system software upgrade. The Factory informed the HR staff regarding the upgrade during the training 1) Workers in

	<p>and out time needs to be downloaded from biometric machine (previously workers in time and out time captured manually); 2) Working hours will be calculated by software and the overtime wages will be paid as per legal requirement; 3) The error level will be drastically decreased as all calculations are completed in the computer system; 4) HR will check randomly before generating the reports. The Factory sent the record as supporting documentation.</p> <p>Item 2: Same comment as item 1. MEC is checking with the factory whether there are any workers who worked on Sunday or worked 7 days or more without 1 day off after the factory implemented the new system.</p>
<b>Completion Date:</b>	

**(NEW) FINDING NO.19**

**COMPENSATION**

**FINDING TYPE:** Immediate Action Required

**Finding Explanation**

1. The contribution amounts for the provident fund and employee state insurance scheme for July through September 2017 deducted from worker pay slips was less than amounts deposited as reflected on deposit slips. Management could not provide satisfactory explanation for the difference. [ER.2, C.10.1]
2. Workers do not complete a leave application form when requesting leaves. Leaves are requested verbally and allowed by supervisors. [C.15]
3. Wage slips issued to workers do not include information on overtime working hours and work done on rest days. [C.13.3]
4. The bonus paid to workers in October 2017 was rounded to lower and higher denomination. Hence 11 out of 45 sampled workers had received INR 1 to INR 8 less than the correct amount, while others received INR 2 to INR 4 in excess. Management stated that the amounts were rounded to facilitate easy payment with available currency denominations. Effective November 2016, all payments were required to be transferred to bank accounts of workers and no payment could be made in cash and hence there was no guidance for rounding off payable amounts. [C.5]
5. Contributions toward the legally mandated Employees State Insurance Scheme deducted from overtime compensation for June and July 2017 were deposited with the concerned government authorities on August 29, 2017. Legally, this is required to be deposited within 21 days after the end of the pay period every month. [C.10.1]

**Local Law or Code Requirement**

Employees State Insurance Act 1948 – Deposit of contributions; FLA workplace code (Employment Relations benchmark ER.2; Compensation benchmarks C.5, C.10, C.13, and C.15)

**Recommendations for Immediate Action**

1. Maintain complete information for amount deducted from wages and deposited for the Provident Fund and Employee State Insurance Scheme.
2. Ensure that leave applications are completed when workers request leave.
3. Include information on overtime hours and work done on rest day in wage slips provided to workers.
4. Pay the correct bonus to workers.
5. Deposit contributions for Employees state insurance scheme within the legally defined timelines.

<b>Action Plan Status:</b>	<p>Item 1: Completed</p> <p>Item 2: Completed</p> <p>Item 3: Completed</p>
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	Item 4: Completed
	Item 5: Completed
<b>Planned Completion:</b>	Item 1: Feb 2, 2018  Item 2: May 26, 2018  Item 3: Sep 30, 2018  Item 4: Jun 10, 2018  Item 5: Feb 15, 2018
<b>Progress Update:</b>	<p>Item 1: The Factory will check the entire record and send the relevant data before Feb 2, 2018. Pending on supporting document from the factory.</p> <p>Item 2: The Factory will implement leave application system in the factory from Feb 1, 2018. The Factory will arrange training to the workers before Feb 15, 2018. Verification of the system on or before Feb 15, 2018.</p> <p>Item 3: The Factory will implement pay slip into the software itself by Jan 31, 2018. Pending on supporting document from the factory. The Factory will include the hours of work, hourly rate and the total amount received in the pay slip. The Factory will ensure the hours worked payment will calculate the correct premium to the employee. The training will be arranged to inform the pay slip amendment to the workers before Feb 15, 2018.</p> <p>Item 4: Software will be modified accordingly for the next year bonus. Factory already engaged software developer. The Factory will give training on this on or before Feb 15, 2018 to HR department and effectiveness will be verified on Mar 15, 2018.</p> <p>Related to the payback plan, the Factory will check the previous record and confirm with MEC their plan on/before Mar 30, 2018. Documents will be submitted on November 2018 for next year bonus records. Pending on information why it will take so long to provide update to us related to "payback plan, the Factory will check the previous record and confirm with MEC their plan on/before Mar 30, 2018. Documents will be submitted on November 2018 for next year bonus records."</p> <p>Item 5: The Factory will deposit the contributions within the legal time limit effectively on Feb 15, 2018. As this is legal procedure the Factory is sending the SA 8000 manual and status for reference.</p> <p>August 2018 Update:</p> <p>Item 1: The Factory provided the Dec 2017 Employees' Provident Fund record for our review. As per the record, the total amount paid for wages for workers is \$2,936,647 and paid for Directors salary is \$370,300. The grant total wages = \$3,306,947. It was covered in employees' provident fund evidence supporting document.</p> <p>Item 2: The Factory implemented a leave application system in February 2018. The Factory arranged training to the workers on May 26, 2018. Please find attached the supporting documentation.</p> <p>Item 3: The Factory implemented a pay slip into the software system in January 2018. The Factory included the hours of work, hourly rate and the total amount received in the pay slip. The Factory ensures the hours worked &amp; payment calculate the correct premium to the employee. The training arranged to HR administrators was on February 19, 2018. Pending information when the Factory informed the pay slip amendment to the workers.</p>

	<p>Update March 7, 2019: The factory provided training on May 26, 2018 to all workers as per document review.</p> <p>Item 4: Software modified accordingly for the next year bonus. The Factory provided training to HR department.</p> <p>Related to the payback plan, the Factory arranged the paid back on June 10, 2018. Please refer to the supporting documentation.</p> <p>Item 5: The Factory will deposit the contributions within the legal time limit effectively starting from Feb 15, 2018. As this is legal procedure the Factory sent the SA 8000 manual and status for reference. The factory also sent the January contribution record, which showed the transaction date as January 6, 2018.</p>
<b>Completion Date:</b>	

## (NEW) FINDING NO.20

### WORKPLACE CONDUCT & DISCIPLINE

**FINDING TYPE:** Sustainable Improvement Required

#### Finding Explanation

1. The Workplace Conduct & Discipline procedures do not provide information on types of misconduct and the related disciplinary actions that will be taken. [E.27]
2. The penal consequences for harassment at the workplace are not posted as required by law. [ER.27.3]
3. The committee for preventing harassment does not comply with legal guidelines. (i). Name of the committee is called Harassment and Abuse committee and not "Internal Complaints Committee" and (ii). An NGO representative is not included in the committee. [ER.1, ER.27]

#### Local Law or Code Requirement

The Sexual Harassment of Women at Workplace Act 2013; FLA Workplace Code (Employment Relation Benchmarks ER.1 and ER.27)

<b>Action Plan Status:</b>	<p>Item 1: Completed</p> <p>Item 2: Completed</p> <p>Item 3: Completed</p>
<b>Planned Completion:</b>	<p>Item 1: Aug 14, 2018</p> <p>Item 2: Jan 31, 2018</p> <p>Item 3: Jan 31, 2018</p>
<b>Progress Update:</b>	<p>Item 1: The Factory will update the policy and procedure for the type of misconduct and the related disciplinary action taken by Feb 15, 2018. The Factory will arrange the training to the workers on or before Mar 30, 2018. The training feedback analyze will be completed on the same date.</p> <p>Item 2: The penal consequences of harassment at the workplace will be posted by Jan 31, 2018. Pending on supporting document from the factory.</p> <p>Item 3: The sexual harassment committee is conducted by an NGO representative. Increasing awareness has been created throughout the factory Pending on the factory to</p>

	<p>explain how the supporting document can support “the awareness has been created throughout the factory”. The evidence of the committee records has been provided to MEC.</p> <p>August 2018 Update:</p> <p>Item 1: The Factory send the disciplinary procedure document to MEC and it include the type of misconduct. The Factory also arranged the training to the workers.</p> <p>Item 2: The penal consequences of harassment at the workplace posted in the notice board at front entrance of the facility. Please find attached the supporting documentation.</p> <p>Item 3: The sexual harassment committee is conducted by a NGO representative. Increasing awareness has been created throughout the factory. The evidence of the committee records has been provided to MEC. Supporting documentation as attached.</p>
<b>Completion Date:</b>	