

FLA Audit Profile	
Country	India
Name of Factory	070232631F
Independent External Monitoring Organization	International Resources For Fairer Trade
Date(s) in Facility	July 19 & 20, 2007
FLA Affiliated Compan(ies)	Nike, Inc. & Puma AG
Number of Workers	961
Product(s)	Sports Shoes
Production Processes	Cutting and Stitching

FLA Code/Benchmark	Compliance Status	[Status] Completed, Pending, Ongoing	Description of noncompliance, risk of noncompliance or uncorroborated evidence of noncompliance	Updates (Cite Date of Follow-Up)		Third-Party Verification		Company Verification Follow-Up	
				Company Follow-Up	Documentation	External Verification (Date)	Documentation	Company Follow-Up (cite date of planned or follow-up visit, if appropriate)	Documentation
GEN 2: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Risk of noncompliance	Ongoing	Code is posted on the notice board on the shop floor, which is communicated to the workers by way of displaying it. However some of the new workers interviewed were not aware of the Code.						
F.9 Employment Records	Noncompliance	Ongoing	No confirmation letters, wage slip not issued, time in and out records not proper.						
F.15 Personal Worker Identification and Other Documents	Noncompliance	Completed	No identity cards are issued to employees, except for the time in and out swipe card, which is also not issued to all the employees.						
H&A.6 Discipline/Worker Awareness and Participation of Workers	Noncompliance	Pending	The facility has a Code of Conduct entitled 'Philosophy of Management' displayed on the shop floor, in both English and Hindi (the language understood by the workers). The facility has workers committee to address their grievances, but some of the workers we spoke to are not aware of the existence of such a committee.						
H&A.11 Discipline/Verbal Abuse	Noncompliance	Pending	The supervisor was found abusing the workers on production floor (stitching area) right in front of the monitors during the visit.						
D.3 Recruitment and Employment Practices (Job Advertisements, Job Descriptions and Evaluation Policies)	Risk of noncompliance	Pending	The Broad Employment Policy mentions the category of workers, casual workers, application and age proof, working time with lunch/tea breaks, weekly holiday, overtime, leave with pay, attendance and wage payment, but nothing about termination/retrenchment.						

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H&S.9 Evacuation Requirements and Procedure	Noncompliance	Completed	Found blocked aisles in stores. The fire exit staircase for stores is dangerous and needs to be changed. It is not a regular staircase but a ladder with width of about 5 inches per step. There is a risk of falling at the time of emergency and otherwise as well. No evacuation drills, fire safety or use of fire extinguishers training provided to the workers from stores as observed by worker interview. Access was blocked for one fire extinguisher. Some of the fire extinguishers had surpassed the expiration date and an attempt was made to change the dates during the 2 days that the monitors were present in the factory. No records were made available during the audit on any assessment conducted in the factory to identify ESH hazards and the appropriate response to such risks.						
H&S.13 Chemical Management and Training	Noncompliance	Completed	Diesel barrels storage inadequate. There is no secondary containment to catch spillage. MSDS are not posted at the storage area. The workers working in the boiler area especially are not provided with the required PPEs. The labels are in English and not in Hindi (the language understood by majority of workers).						
H&S.17 Ventilation/Electrical/Facility Installation and Maintenance	Noncompliance	Pending	Proper ventilation is required on 1st floor of the stores department. There is no cross ventilation due to the design. Moreover, the fans are few and there is no wind flow, making the floor extremely hot.						
H&S.20 Bodily Strain	Risk of noncompliance	Ongoing	Sitting position not easy. Stools without back rest, bin between the feet, makes sitting uncomfortable and may lead to body strain.						
FOA.1 General Compliance Freedom of Association	Noncompliance	Pending	The management reported existence of committees for grievances redressed. However some of the workers interviewed were not aware of such committee.						
HOW.1 General Compliance Hours of Work	Noncompliance	Ongoing	No swipe cards to some of the workers.						

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HOW.2 Rest Day	Noncompliance	Pending	Multiple set of attendance records were found. The workers' attendance register, which is maintained manually showed Sunday working. There was another evidence of Sunday working in the broken needle register as well. However, management claimed that they did not work on Sunday. It is difficult to conclude whether overtime exceeded 12 hours in a week, as the records were not matching with each other. But obviously the workers were not paid at double the rate for Sunday working nor they were given an alternative day off as required by law. The facility observes Sunday as their weekly day off.						
HOW.6 Time Recording System	Noncompliance	Pending	The time record maintained is not authentic and accurate. In-time of workers as recorded by security guards, did not match with the swipe card timings. The mismatch was more than 2.5 hrs. In another case though workers were shown as present as per the manual time keeping system, they were shown as absent in swipe card. We found instances where the security guards had recorded arrival time of some workers which differed from the time recorded for the same worker under the punch card system and the difference was more than 2 hrs. We can infer that as the time records were not properly maintained, overtime hours are not in compliance with code.						
WBOT.10 Premium/Overtime Compensation	Noncompliance	Ongoing	During the worker interviews, it is observed that they are aware that overtime payment is paid double, but they are not aware of the system of hours calculated. While reviewing the records multiple time records were found, which were not matching with each other. In some cases, out time was not recorded. Hour records were maintained electronically and manually as well. Also some of the workers were not issued the swipe cards.						
WBOT.21 Record Maintenance	Noncompliance	Pending	Time record maintained is inadequate, some workers do not have swipe cards.						
WBOT.27 Wage Receipt	Noncompliance	Completed	Wage slips are not issued to workers.						