

ISES

2020

(International Social and Environmental Standard)

Contents and Implementation

(Version 2.01)

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List of Abbreviations

BMZ	Ministry of Economic Cooperation and Development (Bundesministerium fuer Wirtschaftliche Zusammenarbeit und Entwicklung)
CAP	Corrective Action Plan
GTZ	Deutsche Gesellschaft fuer Technische Zusammenarbeit GmbH
IGEP	Indo-German Export Promotion Project
ILO	International Labour Organization
ISO	International Organization for Standardization
ISES 2020	International Social and Environmental Standards 2020
SAI	Social Accountability International
SA 8000	Social Accountability 8000
UN	United Nations

List of Annexure

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Introduction

Customers in the western world set high standards for retailing companies and their products. They do not only demand for an outstanding product quality and an excellent value for money, but increasingly also request a compliance with social and environmental standards in the production process. If customers are doubtful about the social and environmental acceptability they will choose a different product.

Numerous international campaigns, customers and NGOs increase the pressure on companies by publishing violations of human rights and minimum social and environmental standards. The increased world trade has the effect that an organization or company is capable of affecting and being affected by a wide range of different stakeholders. For reasons of competitiveness it is evermore essential responding to the increasing demands in social and environmental performance. The concept of social and environmental responsibility has economic effects for the company and its competitiveness.

Companies interested in demonstrating that they and their suppliers are honoring social accountability standards have the possibility to have that fact certified with the ISES 2020 (International Social and Environmental Standard) and through an auditing process.

The aim of this guidance document is to serve as a manual to those companies who want to establish a system of corporate social responsibility by implementing minimum social and environmental standards based on the ISES 2020. This manual is intended to serve as a technical guide for the implementation of its eleven requirements, giving precise information on the requirements and showing practical methods to meet them. Using the guidance document in the daily practice enables the company to additionally get economic benefit from necessary changes and to comply with the ISES 2020 and to meet with minimum social and environmental standards in the world-wide production of consumer goods. The manual is intended to support companies to prepare for the audit process.

IGEP and Its Role

The Indo German Export Promotion (IGEP) started in 1988 as a joint trade promotion programme of the Indian Ministry of Commerce and the German Ministry of Economic Cooperation and Development (BMZ). It was implemented by the Deutsche Gesellschaft fuer Technische Zusammenarbeit (GTZ) GmbH. Since July 2005, IGEP is working as a private company.

Focusing on trade promotion with Germany and other European countries, IGEP has ever since played an important role in promoting Indian exports. Important product sectors promoted by the project are jewellery and silverware, leather products, silk and handloom products, handmade carpets, handicrafts, software and electronics, automotive components, plastic products as well as castings and forgings.

The cooperation between IGEP and Indian companies focuses on services rendered to promote the companies in India and abroad. These services comprise giving advice and counseling, rendering of market information, facilitating long term business relations, monitoring and influencing framework conditions as well as marketing activities through specialized fairs.

A specific focus in the services has always been put on the increasing relevance of compliance with social and environmental standards. To support companies to meet high customer standards for products manufactured under socially and environmentally acceptable conditions, IGEP has developed the ISES 2020. The standards and the auditing process ensure compliance with minimum social and environmental standards at the production sites and can cover the whole value chain.

Scope and Use of this Manual

The present guidance document is intended to support companies who are in the process of adopting the ISES 2020 in self assessing the compliance with the minimum social and environmental requirements and in this way in preparing for the audits. For this purpose the manual provides the companies with necessary detailed information about the requirements and practical measures to ensure compliance. Used in the daily practice the guidance document helps the implementation process of ISES 2020.

After a short presentation of the audit process, the single requirements are presented in detail, always considering the national legal regulation. In many cases laws might vary from state to state and from industrial sector to industrial sector. The manual will give you the basic legal parameters. It lies in the responsibility of the companies to find out the exact legal requirements for the state and sector the company is working in. IGEP will offer a backup on legal questions.

To ensure a successful implementation of the social and environmental standards the guidance document further provides a checklist for self monitoring and measures to be taken to reach compliance with the requirements. The two sheets for self evaluation and for improvement serve as a practical tool for the companies to verify the status quo regarding the eleven requirements of the standard. Both are designed to be a tool for daily practice to the company during the preparation phase as well as during the circle of continuous improvement. As part of the daily company routine in this way it enhances the sustainability of measures taken and of the overall social and environmental performance.

ISES 2020

The ISES 2020 is the revised and advanced former ISES 2000, which was developed in 1995 / 96. The ISES 2020 comprises ten years of work and audit experience with the ISES 2000 with various companies of different sectors. The adapted standard furthermore deeper integrates environmental aspects than before. Further amendments in the field are tested at present and will be included after careful evaluation.

The ISES 2020 relies on the responsibility of the companies complying with the national regulations under labour, social and environmental law in India and relevant international conventions and declarations as mentioned below.

For companies and suppliers, the benefits of adopting ISES 2020 are significant. The widespread integrated management system of ISES 2020 based on the philosophy of a total quality management covers the fields of social accountability, health and safety as well as environment. It has a direct effect on the product, work and production quality of a company. It not only addresses relevant aspects to the employer but also treats issues important for the employees of a company, customers and or other stakeholders. The improvement of working conditions and reduction of pollution has a direct effect on ameliorating production efficiency, leading to positive impacts on the competitiveness of the company.

A commitment in improving working conditions and environmental aspects can lead to various benefits for a company, for example enhancing the reputation of the company, improving of the employee recruitment as well as gains in quality, productivity and profitability. An increased organizational efficiency as well as the compliance with national and international laws and regulations are further advantages employers can gain by adopting the ISES 2020.

Benefits for employees and workers are generally better working conditions including the guarantee of minimum living wages, guaranteed times off for recreation, a more secure work environment, fewer accidents and an increased awareness of labor rights.

For other stakeholders the benefits of companies adopting ISES 2020 lie in the improvement of environmental conditions as well as in a clearer more credible and transparent information system about the social and environmental responsibility. An identification of companies making progress towards humane working and living conditions becomes possible. Also customers and investors can on this basis take ethical purchasing and investment decisions.

A specific characteristic of the ISES 2020 and its auditing process is the combination of assessment and assistance. Certainly a central aspect of the audit is the assessment and evaluation of the compliance with the requirements of the standard. But the ISES 2020 approach goes beyond and gives assistance and consultancy services to the companies who are adopting the standard. Non compliance with aspects of the requirements does not lead to exclusion of certification. IGEP has chosen an approach of cooperation with the companies. In case of non compliance the auditors and IGEP will together with the company develop a corrective action plan (CAP). The CAP contains measures that have to be implemented to meet the minimum social and environmental standards and be accredited. This form, of consultancy promotes the companies in improving organizational and productive efficiency and hence national and international market competitiveness. Only in cases of total unwillingness and disinterest in setting socially and environmentally compliant, companies will be excluded from the certification process.

A further particularity of the ISES 2020 is the holistic approach. This covers on one side all production steps and production groups, integrating the supply chain with regard to social and environmental issues. On the other side the ISES 2020 approach includes a total quality management focusing not only on aspects of production, but as well on a personal management system, aspects of accounting and of continuous improvement.

Legal Framework of the ISES 2020

The framework of the ISES 2020 is constituted by national regulations under social, labour and environmental law of India and complies as well with international conventions declarations and internationally applicable certification system SA 8000 of Social Accountability International (SAI). To facilitate the work with European companies ISES 2000 and 2020 have been given to the Foreign Trade Association of the German retail Trade in Cologne, which formed on this basis the Business Social Compliance Initiative (BSCI, Brussels).

If there are discrepancies at points where national and international regulations overlap, it is recommended to follow the more stringent rule as long as this is possible and implementable without violating national principles.

National Legal Regulations

The national legal requirements are applicable particularly with respect to:

- Working time
- Compensation
- Social security contributions
- Minimum age of employees / child labour
- Ban on forced labor
- Disciplinary measures
- Freedom of association and collective bargaining
- Ban on discrimination
- Working conditions

- Health and safety
- Environmental issues
- Legal requirements for accommodation of employees (dormitories)

Important laws and acts to consider are:

- Factories Act 1948 (Including amendments in 2016)
- Apprentice Act
- Material Benefits Act
- Bonded Labour System (Abolition) Act
- Equal Remuneration Act
- Trade Union Act
- Industrial Disputes Act 1947
- The Industrial Employment (Standing Orders) Act, 1946 (with amendment in 2006)
- The Weekly Holidays Act, 1942
- Minimum Wages Act
- Payment of Wages Act
- Employees Provident Fund Act
- Employees State Insurance Act
- The Environment (Protection) Act, 1986 (including the Environment (Protection) (Fifth Amendment) Rules, 2014, 2016 & 2017)
- Trade Union Act 1926 (including Trade Unions (Amendment) Act, 2001)
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 and Amendment Act 2016

- The Plantations Labour Act 1951 (including Plantations Labour (Amendment) Act, 2010)
- The Right of Children to Free and Compulsory Education Act, 2009 (Right to Education Act 2009)
- The Juvenile Justice (Care and Protection of Children) Act, 2015
- The Commissions for Protection of Child Rights Act, 2005

International Regulations

The ISES 2020 is based on internationally recognized standards developed by different organizations. It is oriented on the core labor standards of the International Labour Organization (ILO) as well as the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child.

The following working standards are applicable:

- ILO Convention 29 and 105 (Forced and Bonded Labor)
- ILO Convention 87 (Freedom of Association)
- ILO Convention 98 (Right to Collective Bargaining)
- ILO Convention 100 and 111 (Equal Remuneration for Male and Female Workers for Work of Equal Value, Non Discrimination)
- ILO Convention 135 (Worker's Representative Convention)
- ILO Convention 138 and Recommendation 146 (Minimum Age and Recommendations)
- ILO Conventions 155 and Recommendation 164 (Occupational Safety and Health)
- ILO Conventions 159 (Vocational Rehabilitation and Employment of Disabled persons)
- ILO Convention 177 (Home Work)
- ILO Convention 182 (Worst Form of Child Labor)
- Universal Declaration of Human Rights
- The United Nations Convention on the Rights of Child
- The United Nations Convention to eliminate all forms of discrimination against women

ISES 2020- Process Steps and Audit

The ISES 2020 implementation and audit process can be separated into six different phases, in which the first three phases represent a linear process. The self assessment phase and the first audit follow the awareness raising phase. After that a cyclic process, the cycle of improvement consisting of the audit, the correction phase, the implementation phase and the re-audit follows. These four phases have a cyclical progression as they are repeated in case of non conformance with one or more requirements and or after a period of three years as a re-evaluation process. This assures continuous improvement together with the special and unique characteristics of ISES which consists of unannounced counties. All manufacturers must agree to them at the beginning of the certification process. They are all integral part of the ISES work and can be carried out at any time.

Awareness Raising Phase:

During an awareness raising workshop the main aspects of corporate social responsibility and the ISES 2020 are being explained. This first phase is meant as introductions in which the requirements of the ISES 2020 are being explained. During the workshop a guidance document is handed out. It gives detailed information about the single requirements of the standard and supports the self assessment process and preparation for the coming audit process.

Preparation and Self Assessment Phase

For reasons of cost and efficiency a careful preparation for the audit is recommendable. Following the introductory workshop the company should start the self assessment phase on the basis of the information and the sheets for self assessment and for improvement.

Steps to be taken to prepare for the audit:

- Perform self assessment on the basis of the ISES 2020 checklist and evaluation sheets.
- Correction of deficiencies found wherever possible before the date of the audit.
- Provide authors and audit company with all the information they require and ask for.
- Persons responsible for the relevant areas shall be available during audit. They have to be prepared in advance using the guidance document.
- Make available a separate room for the auditors if possible.

IGEP will give necessary advice and coaching during each stage of this pre audit phase.

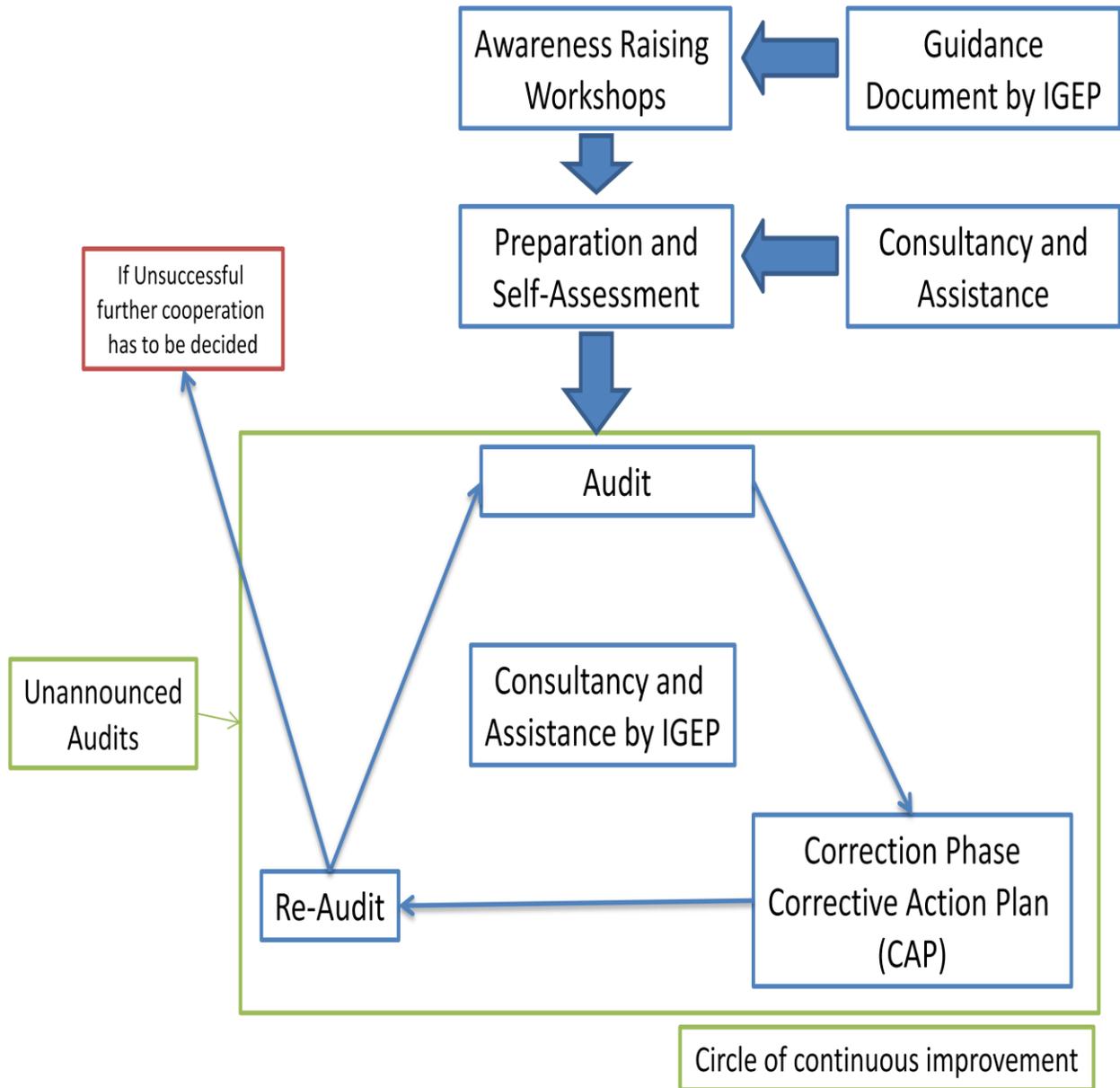


Figure 1: Phases of the ISES 2020 - Audit Approach

Audit

After thorough preparation the company should arrange for the first audit being conducted at the company. The audit will be conducted by audit and certification companies and/or specially trained auditors. The purpose of this audit is to analyze the social and environmental performance of the company, in order to identify any need for improvement and to agree on appropriate corrective action where necessary.

Normally the first audit serves as a survey, with the help of which the necessary corrective actions are arranged between the auditors, the company and IGEP. In case of a careful preparation on this basis, simple corrective actions should be implemented immediately. Further more complicated actions necessary for compliance are to be carried out according to an agreed time plan (normally max, six months)

The audit itself is conducted systematically, uniformly and completely. The auditors are subject to an obligation of neutrality. The audit normally comprises the following components:

- Introductory Meeting:

The introductory meeting is for the participants to introduce themselves and to clarify the framework conditions, such as the procedure and time of audit, which persons should be available, what documents will be examined and the clarification of outstanding questions.

- Interview with the management:

The interview serves as a further intensive information exchange with the company. In the case of the audit it may be repeatedly be necessary to clarify matters with the company's management. Part of the interview will be the answering of the questionnaire.

- Inspection of the documents:

Numerous documents have to be examined and checked during the audit, in order to assess whether they comply with the requirements. The auditor has to be given full

access to all personnel files, and book keeping documents, etc.

- Site Inspection:

During the audit the auditor will inspect the site of the company. Main matters of inspection are the fire protection equipment, emergency exits, health and safety matters, machines and electrical equipment, room temperature, ventilation and lighting, general cleanliness, sanitary facilities and required social amenities.

- Interviews with employees:

One of the elements in a complete audit is the conduct of interviews with the employees in the company, particularly from the production area. These interviews are used to check matters which cannot be properly assessed by means of documents, by site inspection or by interviews with the top management.

Anonymity must be maintained. The employees to be interviewed must be selected without the knowing and influence of third parties. During the interview no further person may be present apart from the auditor. Employees interviewed have special protection. Any exertion of influence on employees before the interview, or disadvantages for employees who have been interviewed will lead to marking down of the audit results or in the worst case to invalidity of the audit.

- Report based on Audit Results:

Based on the information of the documentation check, the site inspection and the interviews, the auditor determines the audit results and composes a written report.

- Final Meeting:

At the end of the audit a final meeting is held with top management. The audit results with necessary corrective actions are discussed in detail. The corrective action plan has to be agreed by the responsible manager. This meeting automatically leads into the next phase.

Correction and Implementation Phase:

This is a phase of constructive cooperation. Based on the results and reports about the audit, corrective actions are being developed where the auditor found non-compliance with the requirements. A final social and environmental audit report sums up the results of the audit and the developed corrective action plan.

The next step is the implementation of the corrective actions. Depending on the intensity, extent and complexity of such corrective actions, this may range from simple checks on implementation to additional awareness raising measures right up to intensive training programmes. A realistic period must be set for implementation of each corrective action plan. Some suggestions for the implementation process are:

- Start with implementation of actions which prevent dangerous situations for employees and or for the company.
- Then implementation of actions that involve a small amount of effort and can be realized with the means available.
- Preference shall be given to those actions where an additional economic benefit can be likely expected for the company.

During the implementation phase it is important to get together with the responsible people and or employees affected by the corrective actions, and generate an action plan for implementation as well as identify possible solutions together. This integrates the employees in the process, enforces their identification with the process and qualifies them at the same time.

The implementation of corrective actions normally requires additional know how and trained personnel to recognize deficiencies in different areas of a company and to create know how so that the problem can be solved in future immediately by the employees themselves. A good training in the use of machines and tools enables the employees to better protect themselves. Furthermore a good training in the use of machines and tools enables the employees to better protect themselves from accidents. This also has a effect on the product quality.

During this phase IGEP supports the companies where necessary with consultancy services. A close cooperation during this stage is important to realize a sustainable change and to avoid unnecessary costs for the companies.

Re-Audit:

The re-audit is to check implementation of the corrective actions taken and whether the deviations found in the previous audit have been corrected. In case of non-conformities during the first audit, a re-audit has to be placed after elapse of the implementation period agreed within the CAP of 6 months after the previous audit.

If the corrective actions meet the requirements a second audit cycle will take place after two years to monitor the current situation at the company and to evaluate the development during the past years. For safe guarding a continuous improvement and the sustainability of measures unannounced control visits are carried out, normally two times within one year.

Definitions:

The following terms are used within the ISES 2020 and present throughout the guidance document and require definition.

Adolescent: Any person who has completed his fourteenth year of age but has not completed his eighteenth year.

Child: Any person less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age will apply. If, however the local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, the lower age will apply. If the work is hazardous it will be tried to convince the company to employ no persons under the age of 18 years. Exceptions can be made if special regulations are agreed for apprentices.

Child Labour: Any work done by a child younger than the age specified in the above definition of a child, except as provided for by ILO recommendation 146.

Corrective Action: Actions taken to prevent the recurrence if there is non conformance

Forced Labour; All work or service that is extracted from any person under the menace of any penalty for which said person has not him / herself voluntarily agreed. Forced labour can also take a form of bonded labor, where debts are used to keep workers in a situation of bondage. In these case workers are not allowed to leave until their debts are paid off.

Interested Party: Individual or group concerned with or affected by the social performance of the company.

Plantation: means any land used or intended to be used for growing tea, coffee, rubber, cinchona and other products which admeasures twenty-five acres or more and whereon thirty or more persons are employed, or were employed on any day of the preceding twelve months.

Remedial Party: Actions taken to remedy a non conformance.

Remediation (Rehabilitation) of Children: All necessary support and actions to ensure the safety, health, education and development of children who have been subjected to child labour, as defined above and are dismissed.

Subcontractor: A business entity in the supply chain which directly or indirectly provides the supplier with goods and or services integral to and utilized in / for the production of the suppliers / company's goods and services.

Supplier: The party that is responsible for the product, processor service and is liable to ensure that the social accountability is exercised. This definition may apply to manufacturer, distributors, importers, assemblers, service organizations etc.

Young worker: Any worker over the age of child as defined above and under the age of 18.

ISES 2020 – Social and Environmental Standard Requirements

The ISES 2020 covers eleven areas of requirements:

1. Management System
2. Child Labour
3. Forced Labour
4. Health and Safety
5. Freedom of Association and Rights to Collective Bargaining
6. Discrimination
7. Disciplinary Practices
8. Working Hours
9. Compensation
10. Upstream suppliers
11. Environment Protection

All eleven requirements have the same significance for a social and environmental performance of a company and for the auditing process. The ISES 2020 starts with the management system for corporate social and environmental responsibility. This is because the existence of at least basic management structures is of importance to implement minimum social and environmental standards on a continuous and sustainable basis. The management system gives the framework for the regulations of all other requirements and matters concerning the social and environmental performance of a company.

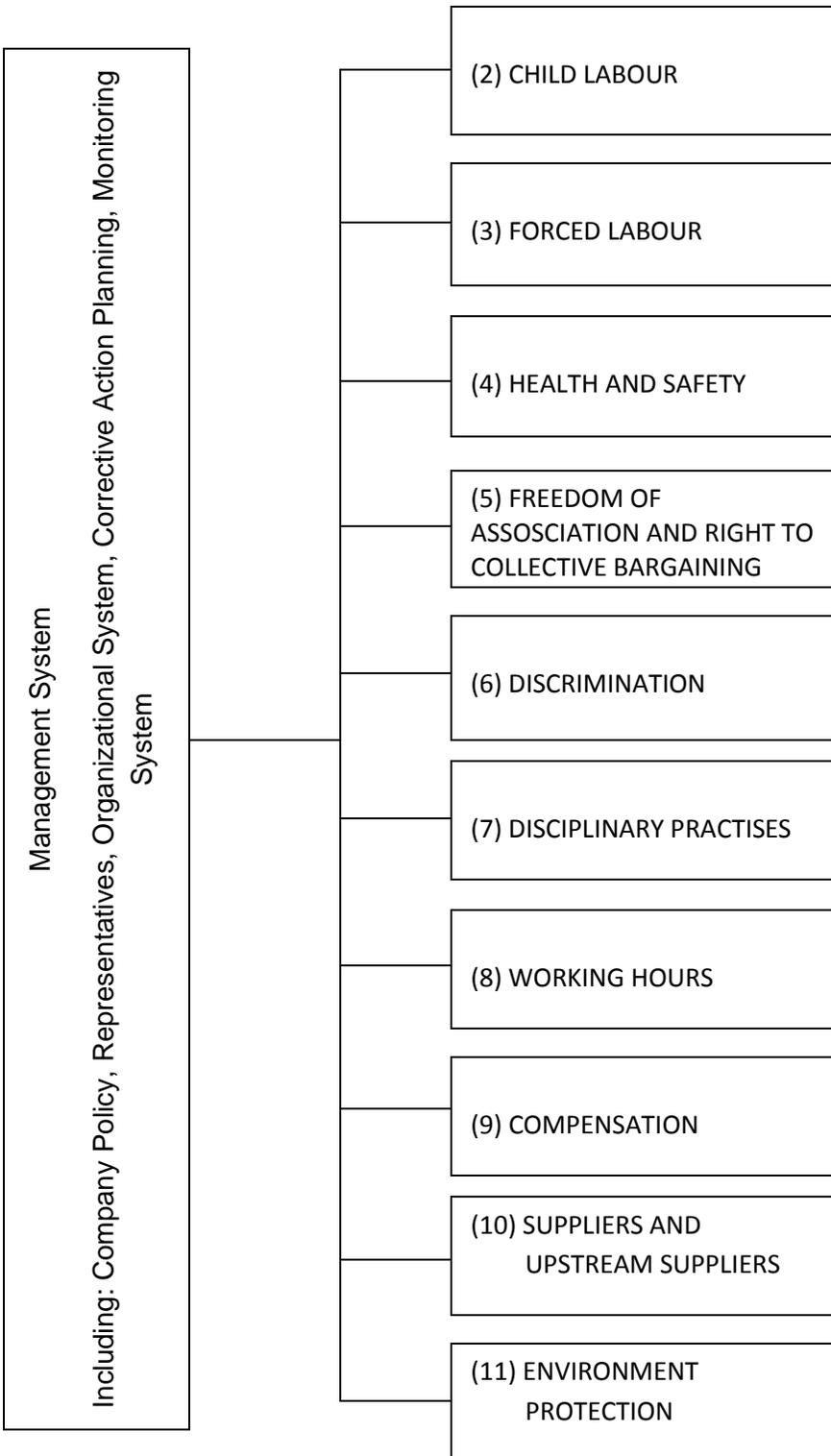


Figure 2: The eleven requirements of the ISES 2020

Management Systems

This section treats the implementation of solid management structures that are necessary to realize minimum social and environmental standards. Solid management structures include documentation and monitoring system, as well as the integration of employees in the realization process.

The general performance of a company depends largely on its management. It sets the framework conditions and ensures a good economic performance. This requires the establishment of business management structures, e.g.: with distribution of responsibilities and definition of working procedures. Also a well functioning documentation system is part of good management practice. Documents help controlling production and procedures as well as they are a support for the provision of proof during an audit.

The control of the management system is part of the audit. The introduction of appropriate social and environmental management structures will be assessed. A point of focus will be the capability of the management system to comply with the minimum social and environmental standards including the consideration of this capability in the long term.

The requirements for management system include the general policy of the company, a system of management review, representatives, planning and implementation, the control of suppliers, corrective action planning, access for verification and a documentation and record system.

Policy:

1.1 Top Management shall define the company's policy for social and environmental accountability as well as for labour conditions to ensure that it:

- a) includes a commitment to conform to all requirements of this standard
- b) includes a commitment to continuous improvement.
- c) It is effectively documented, implemented , maintained , communicated and is accessible in a comprehensible form to all the personnel including directors, executives, management, supervisors and staff whether directly employed contracted pr otherwise representing the company.

d) is publicly available for all involved parties

Management Review:

1.2 Top management shall periodically review the adequacy, sustainability and continuing effectiveness of the company's policy, procedures and performance results vis a vis the requirements of this standard and other requirements which shall be implemented according to the company policy.

Company Representatives:

1.3 The company shall appoint a senior management representative who irrespective of other responsibilities, shall ensure that the requirements of this standard are met.

1.4 The company shall provide for non- management personnel to choose a representative from their own group to facilitate communication with senior management on matters related to this standard.

Planning and Implementation:

1.5 The company shall ensure that the requirements of this standard are understood and implemented at all levels of the organization. Methods shall include, but are not limited to:

- a. Clear definition of roles, responsibility and authority
- b. Training of new and / or temporary employees upon hiring
- c. Periodic training and awareness programs for existing employees
- d. Continuous monitoring of activities and results to demonstrate the effectiveness of systems implemented to meet the company's policy and requirements of this standard

Control of Suppliers

- 1.6 The company shall establish and maintain appropriate procedures to evaluate and select suppliers based on their ability to meet the requirements of this standard.
- 1.7 The company shall maintain appropriate records of supplier's commitment to social accountability including but not limited to the suppliers written commitment to :
- a. Conform to all requirements of this standard (Including this clause)
 - b. Participation in the company's monitoring activities as requested
 - c. Promptly remediate any non-conformance identified against the requirements of this standard
 - d. Promptly and completely inform the company about any and all relevant business relationships with other supplier(s) and subcontractor(s)
- 1.8 The company shall maintain reasonable evidence that the requirements of this standard are being met by suppliers and subcontractors

Addressing Concerns and Taking Corrective Action

- 1.9 The company shall investigate, address and respond to the concerns of employees and other interested parties with regard to conformance with the company's policy and / or the requirements of the standard. The company shall refrain from disciplining, dismissing or otherwise discriminating against any employee for providing information concerning observance of this standard.

- 1.10 The company shall implement remedial and corrective action and allocate adequate resources appropriate to the nature and severity of any non conformance identified against the company's policy and / or the requirements of the standard.

Access for Verification

- 1.11 Where required by contract, the company shall provide reasonable information and access to interested parties seeking to verify conformance to the requirements of this standard. Where further required by contract, similar information and access shall also be afforded by the company's suppliers and subcontractors through the incorporation of such a requirement in the company's purchasing contracts.

Records

- 1.12 The company shall maintain appropriate records to demonstrate improvement according to the requirements of this standard.

Components and Tools Regarding the Management System

Company Policy and its Implementation

- The management of the company has approved and signed a policy ensuring its social commitment and ensuring the implementation of the requirements for the ISES 2020 including the non announced audits.

- An appropriate management system shall include the clear definition of roles, responsibilities and authority as well as the working rules, the establishment of personal data files and wage lists of all employees and a time recording system. The implementation of a risk management system, the documentation of training modules

and qualifications as well as the documentation of hazardous chemicals makes part of management structure.

- A functioning cost accounting has to be part of the company's management system. It shows how high the costs are, where and how they are incurred, and at what price the production will cover costs and make profit. A cost accounting is elementary for the control of the costs of the production and is a basic instrument for the reduction of costs.
- To ensure the compliance with legal requirements it is important to check on the regular changes in the legal requirements for payment and for health and safety. There should be a person with sufficient qualification responsible to periodically and continuously review the adequacy, suitability and effectiveness of the company's policy and to ensure that the company has up-to date knowledge of the legal requirements.
- A continuous monitoring system of all activities and results of the implementation process shows where alterations are necessary and where remedial corrective action plans have to be introduced.
- Corrective and preventive actions are implemented in a timely manner and systematically communicated to workers. This is also valid for necessary changes after non announced visits.

Representatives and Participation by Employees

- Appointment of a person responsible in senior management for ensuring that the minimum standards are met. Plans for improvement measures are prepared, and the actions for implementation are initiated and undertaken.

- Establishment of a non management representative or committee elected by the employees. The representative of the committee has the authority to facilitate communication between the management concerning matters of the social standard.

Internal Communication:

- Employees must have the knowledge of the company policy, their social rights and obligations. For this it is indispensable to train all employees periodically on the different requirements and their relevant rights and obligations.
- A continuous exchange of views between top management and employees is important. This is to ensure that all employees are informed about their social rights and obligations. It also serves as an internal knowledge management system, as employees and workers are often aware of simple but effective and inexpensive solutions for arising problems.
- If employees address any concerns or complaints with the company's policy and / or with the implementation process, the company shall investigate on these matters and find as well as implement appropriate solutions.

Documentation System:

- Documentation of company's social policy including the relevant issues mentioned in the standard:
 - The prohibition of child labour
 - The prohibition of discrimination due to personal characteristics of employees
 - The payment of wages

- Compliance with the working time regulations and the regulation for payment of wages
 - Working conditions
 - Health, social and safety facilities
 - Rights of employees within the framework of the legal regulations of the country.
- Documentation of corrective and preventive action taken.
- If the company is certified on other standards e.g. (ISO 9000, ISO 14000, SA 8000) a documentation of the relevant procedures is part of good management practice.
- Setup of a personal data file for all employees, including:
- Copies of ID cards or birth certificates, doctor's certificates, school leaving certificates.
 - Registration with social security.
 - Copy of the employment contract including family name and first name of employee, date of birth, address, company name and address, beginning of employment (if applicable end of employment), clauses indicating period of notice for termination of employment, information of probation period, amount of gross pay plus bonuses and special gratification, working tasks and areas of employment, special agreements, date and signatures of employees and date and signature of employer.
- Setup of a payment system that is understandable to all employees regardless of their origin and level of education. This includes comprehensive pay-slips mentioning the breakdown of all elements of pay, overtime payments, other supplements and deduction from pay. The payment documentation shall also contain wage lists, showing for each employee the calculation of pay on the basis of working time and / or performance, the documentation of maternity leave and the documentation of payments to the social insurance funds.

- Setup of a time recording system, to record the working time of employees. Different methods can be used for this purpose like attendance lists, punch or time cards, electronic data processing.
- Documentation and definition of internal working rules must be applicable for all employees and equally the procedures of work are to be applied in the event of breach of duty by the employee. The working rule shall include standards and regulations for use of machinery, appropriate handling of hazardous chemicals and the adequate component in case of emergencies (fire, accidents).
- If security guards are employed at the company, there must be a contractual agreement describing the tasks of the security guards.
- Application of material safety data sheets if hazardous chemicals are used
- Documentation and recording of training and qualification including health and safety training, first aid training and maintenance of lifts and machinery.
- If there are trade unions or in-house representatives it is necessary to document the agreements between the company and relevant representatives of the workers / employees (e.g.: written agreements on rights of employees in the company, general or company specific collective bargaining agreements with the trade union etc.)

Measures to Ensure the Compliance with the Standard:

- Establish and document general company policy and its social commitment, including a continuous check of legal regulations and the monitoring on the compliance with these.
- Establish and document appropriate management system, including working rules, personnel; management system, payment system, a cost accounting system, a risk management system and an internal communication system.
- Establishment and documentation of training modules.
- Appoint and document persons in senior management and from the side of the employees responsible for the implementation of the legal and social requirements.

Child Labour

The employment of children under 15 years of age is illegal in India according to national legislation and international conventions. For young employees up to the age of 18 years there are special restrictions to be followed. The ISES 2020 has following requirements regarding the issue of child labour and the employment of young workers:

- The company shall not engage in or support the use of child labour as defined above.
- The company shall establish, document, maintain and effectively communicate to personnel and other interested parties policies and procedures for remediation of children found to be working in situations, which fit the definition of child labour above. They shall provide adequate support to enable such children to attend and remain in school until he / she is no longer a child as defined above.
- The company shall establish, document, maintain and effectively communicate to personnel and other interested parties policies and procedures for promotion of education for children covered under ILO recommendation 146 and young workers who are subject to local compulsory education laws or are attending school. This includes means to ensure that no such child or young worker is employed during school hours and that combined hours of daily transportation (to and fro from work and school), school and work time does not exceed 10 hours a day.
- The company shall not expose children or young workers to situations in or outside of the workplace that are hazardous, unsafe or unhealthy.

The Indian Law:

The national legal requirements for young employees are stipulated in 'The Factories Act' of 1948, Chapter VII on the 'Employment of Young Persons'. Further details about hours and safety are defined in 'The Child Labour (Prohibition and Regulation) Act' of 1986 (Further amended in May 2015 and 2016).

The legal framework states:

1. Section 3 in the Child Labour (Prohibition and Regulation) Act, 1986:

No child shall be employed or permitted to work in any of the occupations set forth in Part-B of the schedule is carried on. Provided that nothing in this section shall apply to any workshop wherein any process is carried on by the occupier with the aid of his family or to any school established by, or receiving assistance or recognition from, Government.

2. The legal minimum age for employees is 15 years. Hence children below the age of 15 years should not be employed. The act has been amended in May 2015 whereby children below 15 years are allowed to work in family enterprises or entertainment industry with certain conditions while completely banning their employment elsewhere.

3. Young employees / adolescents (employees who have completed the 15th year but not the 18th year) should have a certificate of fitness to work in a factory. They are not allowed to work in night or in hazardous environments / workplaces.

4. Right of Child to Free and Compulsory Education Act (Section 3): Every child of the age of six to fourteen years, including a child belonging to disadvantaged group or weaker section, shall have the right to free and compulsory education in a neighborhood school till the completion of his or her elementary education.

5. Juveniles (Between 14 and 18 years of age) are not allowed to work more than 4.5 hours in a day. They are not allowed to work in night or in hazardous environments / workplaces.

6. The Juvenile Justice (Care and Protection of Children) Act, 2015 (Section 75): Punishment for cruelty to child: whoever having the actual charge of, or control over, a child, assaults, abandons, abuses, exposes or willfully neglects the child or causes or procures the child to be assaulted, abandoned, abused, exposed or neglected in a manner likely to cause such child unnecessary mental or physical suffering, shall be punishable by law.

7. Crèches (Plantations Labour Act 1951): In every plantation wherein fifty or more women workers are employed or were employed on any day of the preceding twelve months, there shall be provided and maintained by the employer suitable rooms for the use of children of such women who are below the age of six years. Such rooms shall:
 - a. Provide adequate accommodation;
 - b. Be adequately lighted and ventilated;
 - c. Be maintained in a clean and sanitary condition;
 - d. Be under the charge of a woman trained in the care of children and infants.

8. Educational Facilities (Plantations Labour Act 1951): Where the children between the ages of six and twelve of workers employed in any plantation exceed twenty-five in number, the employer is required to provide educational facilities for the children in such manner and of such standard as prescribed by the government.

9. The Plantations Labour Act, 1951 was amended vide Plantations Labour (Amendment) Act, 2010. The amended Act inter alia provides for:
 - a. Definition of 'employer' has been made broad-based so as to fix the responsibility on the Directors, Partners, Lessee or the Officers of the Government entrusted with the management of the plantation.

- b. Definition of 'family' has been made gender neutral to remove the distinction between the family of a male and the female worker for availing dependent's benefits.
- c. The amended Act will also provide for prohibition of employment of children below 14 years.
- d. The penal provisions for non-compliance with the provisions of the Act also have been made more stringent for ensuring the effective implementation of the Act.
- e. The Act provides that no adult workers and adolescent or child shall be employed for more than 48 hours and 27 hours respectively a week, and every worker is entitled for a day of rest in every period of 7 days.

Components and Tools Regarding the Abolition of Child Labour:

- All employees in the company must be at least 15 years old and completed compulsory education (As mentioned in the Right to Education Act 2009).
- Young workers / adolescent (between 15 and 18 years) enjoy special protection. They have to be protected against hazardous, unsafe and unhealthy work as regulated by Indian law.

Following conditions are to be checked in addition-

- ❖ The period of work on each day shall be so fixed that no period shall exceed three hours and that no adolescent shall work for more than three hours before he has had an interval for rest for at least one hour
- ❖ Working time no longer than 6 hours in the day, inclusive of his interval for rest
- ❖ No night shift

- ❖ No adolescent shall be permitted or required to work between 7 P.M and 8 A.M
 - ❖ No adolescent shall be required or permitted to work overtime
 - ❖ If attending school combined hours of daily transportation to and fro from school and time spend at school and work do not exceed 10 hours a day.
 - ❖ No heavy lifting, if lifting anything it has to be appropriate to the young workers size
 - ❖ No exposure to toluene, lead or other toxic chemicals
-
- Establish a documentation system for proof of age upon requirement
 - Establish a communication program to inform the employees about the company's policies and programmes.

Measures to be Taken in the Event of Child Labour Found in the Audited Company

In the event that children are working in the company, owners and management have particular responsibility for these children. This applies even if one is only informed after employment has started that the person concerned is still a child. In such a case following measures have to be taken:

- The child must be removed from production / current work immediately
- The job thus vacant must be offered to a relative of the child, or the family is to be paid compensation until the end of time for the child's compulsory education for the loss of earning thus incurred.
- The company is to initiate and finance all necessary steps in order to rehabilitate a child worker, and to integrate him or her into an environment that is appropriate for children. If necessary one should seek advice from a child welfare organization or other experts.

- The company is to finance the child's school attendance up to completion of compulsory schooling. If compulsory schooling ends before the legal minimum age for employment the funds are to be granted until the child reaches the minimum age.
- After completion of minimum age, the young person is then to be offered a job or an apprenticeship or training position.
- Interested parties who are experts on children's welfare such as local governments and non government organizations (NGO), trade unions should be kept informed about the remediation procedures been taken.
- Any matter related to violation of the rights of the child can be reported / send complaint to either The National Commissions for Protection of Child Rights (NCPCR) established under section 3 of The Commissions for Protection of Child Rights Act, 2005; or to the concerned State Commissions for Protection of Child Rights (SCPCR) of the concerned state established under section 17 of The Commissions for Protection of Child Rights Act, 2005.

Measures to Prevent Child Labour

- During recruitment process, the age of applicants is to be checked on the basis of official document, and only persons who have reached the minimum legal age for employment are to be recruited. The check can be done by inspecting ID cards, birth certificates or school leaving certificates as well as medical certificates.
- Conduct training for those responsible for recruitment in the company as to recognize whether an applicant is trying to give the impression of being older than he or she really is.
- Establish written internal rules to regulate the presence of children on the company site.

Forced Labour

Forced labour can take many forms, in its conventional understanding it does not occur frequently. But there are more subtle forms of forced labour, which may occur more often. Unconditional compliance with the ban on forced labour regulated in the Indian law is essential to all companies. Violations result in legal consequences. The ISES 2020 has strict requirements regarding the issue of forced labour:

- The company shall not engage in or support the use of forced labour, nor shall personnel be required to lodge 'deposits' or original identity papers upon commencing employment with the company.

The Indian Law

Forced labour as defined by the ILO Convention is all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered him / her voluntarily. Force may be physical, mental or material. In India the aspects of forced labour are regulated in '**The Bonded labour System (Abolition) Act**' of 1976.

The legal framework states:

1. The company shall neither engage in nor allow its contractors to engage in the use of forced labour.
2. No worker can be compelled to work against his will and must be allowed to leave the facility at the end of the shift.
3. Physical or disciplinary measures are not to be taken against any employee.
4. Original documents of the workers should not be kept after verification.

Components and Tools Regarding the Abolition of Forced Labour

- Employees must have the option at any time of leaving the company site and any accommodation / dormitory they use.

- Family members are allowed to visit freely.
- Employees are free to quit when they want and understand the rules regarding due notice in order to receive their last salary.
- None of the employees may be detained on the company site or in dormitories and forced to work because they have a debt to pay to the company or to a third party. The same applies to any commissions paid.
- The use of any dormitories, food and transport must be voluntary for employees and if provided may only be charged at the cost actually incurred.
- The security guards only assure for the safety of the employees. They are neither permitted to prevent employees from leaving the company site and/or dormitories nor to force employees to work, either with physical or mental compulsion.
- It is not permitted to retain original documents, such as ID cards, passports or birth certificates, nor monetary deposits, in order to exert pressure on employees.
- It is not permitted to withhold pay to which employees are entitled and to make future paying out of these amounts dependent on staying with the company.
- The use of physical or mental compulsion for disciplining employees is prohibited under all circumstances. The same applies for the refusal of access to food, toilets and/or medical treatment.
- If prisoners are employed at the company, this is permissible exclusively in compliance with the relevant ILO convention 29 and 105. These conventions stipulate that prisoners must not be employed in conditions that discriminate against or exploit them. The same standards and guidelines for social standards are applicable to prisoners as to normal employees. However, standards on payment are not applicable, where the amount of payment in prison was decided in ordinary judiciary proceedings. Wages are comparable to those of free workers with similar skills and experience in the relevant industry or occupation. No further deduction may be made from the wages of prisoners by the employer, or by the prison management, or by third parties. The wages are to be paid directly to the prisoners, or to dependents nominated by them or into a secured bank account.
- Workers do not have a large or long running debt with the company, which they have no other way to pay except to keep working.

Measures to Ensure the Compliance with this Standard

- Implementation of a transparent system for human resource management which allows access to work contracts of the employees, employee handbooks, job descriptions, training manuals and grievance procedures.
- If loans or credits of any kind are given to the employees, implementation of a clear and transparent loan and credit system with fair conditions for the employees.
- Make sure that employees know about their rights and the modalities regarding due notice.

Occupational Health and Safety

The issue of occupational health and safety treats all sorts of working conditions. This aspect comprises requirements for the safety of the production site and machines, the cleanliness, room temperature, ventilation, etc. Ergonomic factors are part of these aspects.

Working conditions very much influence the activities and output of employees. Only appropriate working conditions, which ensure the health and safety of the workers and employees, enable a qualitative and cost-efficient product output. ISES 2020 has following requirements:

- The company, bearing in mind the prevailing knowledge of the industry and of any specific hazard, shall provide a safe and healthy working environment. It shall take adequate steps to prevent accidents and injury to health arising out of, associated with or occurring in the course of work, by minimizing, so far as is reasonably predictable, the causes of hazardous conditions in the working environment.
- The company shall appoint a senior management representative responsible for the health and safety of all personnel, and accountable for the implementation of the health and safety elements of this standard.
- The company shall ensure that all personnel receive regular and recorded health and safety training, and that such training is repeated for new and reassigning personnel.
- The company shall establish systems to detect or avoid or respond to potential threats to the health and safety of all personnel.
- The company shall provide, for use by all personnel, clean bathrooms, access to clean water and, if appropriate, sanitary facilities for food storage.
- The company shall ensure that, if provided for personnel, dormitory facilities are clean, safe and meet the basic needs of the personnel.

The Indian Law

The national legal requirements for health and safety requirements are stipulated in '**The Factories Act**' of 1948, Chapter III, IV, V and VI. Some specifics might change from state to state and need to be looked up in the respective regional acts.

The legal framework states:

1. The company shall provide a safe and healthy work environment.
2. A senior management representative will be appointed to be accountable for implementation of standard health and safety elements.
3. Health & security guidelines should be available for the employees in the language(s) of the country. They should be explained and applied in practice.
4. Sanitary facilities: should be hygienic and separated for men and women.
5. Drinking water: Employees must have access to clean drinking water.
6. Lunch-room / Canteen: In every factory where more than 150 workers are ordinarily employed, a lunchroom shall be provided and in every factory with more than 250 workers, a canteen shall be provided.
7. First-Aid Box: One complete first-aid box or cupboard should be provided at required levels. Each box shall be kept by a trained first-aider. The first-aider must be trained by a govt. recognized organization.
8. Ambulance Room: in every factory employing 500 or more workers, an ambulance room and medical and nursing staff has to be provided.
9. Fire Drills: have to be conducted on a regular basis and fire-fighting equipment has to be functional all the time. Fire training has to be provided to all the workers.
10. Exit / emergency escape routes should be properly marked, un-obstructed at all times and unlocked during working hours.
11. Every factory employing 1000 or more workers has to appoint a safety officer.
12. Chemicals: should be properly marked and kept in at a separate place meant for storing chemicals. Diesel supplies (kept for generators) have to be stored at a fire safe place as well. Entry to chemicals and diesel storage facilities should be restricted to authorized personnel only.
13. The Plantations Labour Act, 1951 was amended vide Plantations Labour (Amendment) Act, 2010. The amended Act inter alia provides for:

- a. The amended Act provides for a new chapter IV-A to cover all aspects of safety and occupational health of workers working in the plantations. This chapter includes provisions with regard to safeguards to be adopted in the use and handling of agro-chemicals, especially insecticides, pesticides and herbicides.
- b. The amended Act enjoins upon the State Government to provide medical facilities and recover the costs thereof from the defaulting employer. Now, the State Government will have the power and responsibility to provide for adequate medical facilities for the workers and their families in case of default by employers and recover the cost from them.
- c. The penal provisions for non-compliance with the provisions of the Act also have been made more stringent for ensuring the effective implementation of the Act.

Areas of Occupational Health and Safety

The subject of occupational health and safety covers a wide range of different aspects at the workplace and the use of machines, ranging from noise and temperature level at the workplace, safe handling of machines up to functioning fire protection systems and appropriate first-aid facilities. This chapter of the manual treats the different aspects of occupational health and safety, providing checklists for each aspect.

The chapter is subdivided into four different sections treating the main areas of occupational health and safety:

1. General working conditions
 - a. Cleanliness
 - b. Light
 - c. Temperature and ventilation
 - d. Noise
2. Health and safety measures at the workplace
 - a. Safety of machines
 - b. Handling of chemicals
3. General safety conditions of the working site / company building
 - a. General safety
 - b. Electrical power system
 - c. Fire protection
 - d. Escape routes and emergency exits
4. Sanitary and social facilities
 - a. Sanitary facilities
 - b. First-aid facilities
 - c. Drinking water
 - d. Eating facilities
 - e. Dormitories

Components and Tools to Ensure a Safe and Healthy Workplace

1. General Working conditions:

a. Cleanliness:

- Every factory shall be kept clean and free from effluents arising from any drain, privy or other nuisance.
- Disposal of appropriate containers for the waste.
- Daily removal of accumulated dirt and refusals.
- Floors are to be cleaned regularly.
- In case of considerable and unavoidable dirt, the employees must be provided with appropriate working clothes and protective means, with shower-, wash- and changing rooms.
- Food and drinks must not be permitted at workplaces with dust and dirt, gas development and chemicals in use.

b. Lighting:

- In every part of the factory where workers are working or passing there shall be provided and maintained sufficient and suitable lighting, natural or artificial, or both.
- As a general rule, daylight should be preferred to artificial light.
- Keep windows and skylight used for lighting clean.
- Light sources must not dazzle.
- The lighting equipment must be in proper conditions and regularly maintained.

c. Ventilation and Temperature:

- Effective and suitable provisions shall be made in every factory for securing and maintaining in every workroom adequate ventilation and temperature be the circulation of fresh air.

- Where natural air circulation is used, the windows must be placed at reasonable height. If the air circulation is to provide cooling in summer, the windows must be placed low enough so that the flow of air also gets to the employees. But if natural air circulation is used for ventilation in winter, the windows must be placed high enough so that the employees are not exposed to the cold airflow.
- Special air extraction and filter systems are to be provided for easily flammable particles. These are to be separated from the normal air extraction and filter systems.
- If there is ventilation or air-conditioning system, the pipe must be made of fire-proof material. Insulation of the pipes is required if they may exceed a temperature of 80°C.
- If moisture occurs at workplace or health hazardous chemical vapors such as solvents or smoke, these must be extracted. The extraction air must not get into any part of the building and must be extracted to the outside.
- Where necessary, employees are to be provided with functioning respiratory protection equipment.
- Cooling equipment is to be provided where the temperature at the workplace is too high for regional conditions.
- Heating equipment is to be provided where the temperature at the workplace is too low for regional conditions.
- Where necessary, employees are provided with efficient protective clothing against heat and cold.

d. Noise:

- Noise exposure should be avoided as far as possible. The general standard applicable is that conversations should be possible at normal volume.
- If it is not possible to prevent noise sources, which are a risk to health, warning notices must be visibly placed calling on employees to use noise protection equipment.
- Noise protection equipment for employees must function efficiently, must be available to them, and must be used.

- A responsible person is to be appointed to check compliance with the noise protection measures. Checks are to be taken place regularly, and the results and any improvement requirements are to be recorded.

2. Health and Safety measures at the workplace

a. Safety of machines

- The basic principle is that employees must be protected from injuries from machines. Protective devices to avoid injuries (finger guards, etc), drive belt safety cover, ventilator guards and other safety devices must be properly installed.
- Access to rotating or oscillating machine parts within the reach of the employees must be blocked. Access to working zone of machines (e.g. cutting or punching zone) must also be blocked as far as possible.
- Machines must in all cases be fitted with fully operational emergency cut-off switches.
- Safety includes free access by employees at any time to the safety and operating instructions. These must describe safe use of the machine, and indicate its potential dangers.
- Machine operators are to be given accident prevention training when they start work at a new workplace/new machine, and this is to be repeated at regular intervals (every 6 months).
- Danger warning signs must be placed on dangerous machines indicating heat, high voltage, high pressure, etc.
- Signs are also required where appropriate to instruct personnel to wear protective clothing.
- Signs always have to be clearly understandable and must be mounted in such a way that they are easy to see.
- A responsible employee is to be appointed to supervise compliance with the safety regulations.
- There are special safety regulations for steam boilers:

- Steam boilers operated with gas, oil, coal or other combustible material must not be installed close to dormitories, emergency exits, escape routes or staircases.
- Stationary steam boilers must be installed in separate rooms or buildings. The corresponding rooms must be lockable. No unauthorized persons may have access to these rooms.
- There must be safety rules and operating instructions for the steam boilers in written form and visibly positioned or available in the room where the steam boiler is located.
- Employees who operate the steam boilers must be appropriately qualified to do so. They must have been informed of the specific dangers of steam boilers and must have completed safety training.
- High-pressure safety relief valves must be installed in every steam boiler. These are to be tested for proper functioning and to be maintained. The high-pressure safety valves must not be located close to employees.
- The high pressure steam generator must be in good condition. It must not give rise to dangers for employees. For example it is not permissible for it to have leaks or improved repairs. Improvised repairs mostly do not last long, and increase the risk of an accident.
- The high pressure steam distribution network must likewise be kept in good condition. It must also be checked and maintained at regular intervals. Reports are to be prepared.
- To avoid additional danger to employees, they must not work close to high-pressure safety valves, leaks, pipes that have been insulated on a makeshift basis. Or other possible sources of danger.
- Employees who work on high pressure steam systems and machines must have the appropriate experts skills and knowledge.

b. Handling of chemicals:

- Always handle and store all sorts of chemicals in a proper manner, legal regulations have to be observed in details.
- Protective clothing (protective gloves, protective glasses, protective shoes and respiratory protection equipment) must be worn by employees who work with hazardous chemicals and by employees who have long term exposure to chemicals.
- Chemical substances must be marked as such. It must be clear from the marking what chemical these are and how dangerous they are to health. The marking has to be visible at all times.
- Chemical substances must be stored correctly, tidily and safely. For example, it is not permissible for tanks to have leaks. The safest way of providing protection in this respect is for tanks to be placed in collecting basins. The tanks must provide long-term fulfillment of their protective function, in accordance with the dangers from the chemicals. Tanks are to be placed in such a way that the danger marking is visible during storage.
- There must be no danger to the environment from the storage and use of the chemical substances. Disposal must be treated in the proper manner.
- Access to chemicals must be granted only to authorized persons.
- There must be a regulated system of reception, withdrawal and disposal of chemicals that must be recorded.
- Safety regulations and emergency plans must be exhibited openly and must be known to all employees. Employees must also be aware of the risks, which may result from handling the chemicals and must know in details what has to be done in the event of emergency.
- Chemical substances should be kept only in small quantities at the workplace, ideally only in the quantity directly for the work. This reduces the risk involved in handling the chemicals.
- If exhaust gases, vapor or dust are released, there must be extracted to the open air.
- The material safety data sheets must be kept available at the workplace. It shows among other things the composition and hazard potential of the respective chemicals.

- A responsible employee is to be appointed to supervise compliance with the safety regulations.
- Where hazardous processes take place, or where hazardous substances are used or handled, a safety committee consisting of an equal number of representatives of workers and management to promote co-operation between the workers and the management is to be set up. Its task is the maintenance of proper safety health at work and the periodical review of the measures taken in that behalf.
- Maintain accurate up-to-date health records and/or medical records of employees who are exposed to chemicals, toxic or other harmful substances.

3. General safety conditions of working site/company building

a. General Safety:

- The factory building and machinery has to be in good and safe conditions.
- The employees must be protected from falling from heights or from falling into dangerous substances. Strong guard rails or fences help here.
- Employees must be protected from possible falling objects.
- Paths and corridors must be safe and free.
- Floors must not be traps for tripping over.
- Employees must be protected from dangers that may come from parts or materials with very high or very low temperatures. This applies for example to heating systems, pipes and steam boilers. Appropriate marking and fitting with protective devices.
- There must be sufficient, functioning personal protection equipment provided by the company (e.g. safety glasses, safety gloves, protective clothing, ear plugs, etc). The protection equipment must be in good condition.
- Employees are required to wear such protective equipment. Rise awareness through training sessions.
- All employees must be given health and safety training. This must be done initially immediately after their recruitment and then at regular intervals. The training should

cover in particular the legal basis of health and safety, generally usual safety techniques, the wearing of personal protective equipment and information on health and safety.

- Documentation of training is essential including as minimum that date of conduct, name of trainer, names of trainees and content of training.
- Placement of relevant danger warning signs and signs for giving instructions for wearing protective clothing.

b. Electric Power:

- The health of employees must not be endangered by electric installations.
- Electrical contacts must not be freely accessible or bare.
- Electronic installations must be installed in a fixed and secure manner, so that they cannot fall down. Measures must be taken to prevent employees from getting tangled in power cables.
- Electrical cables must be installed in a fixed and secure manner. They must not be allowed to lie on the ground. They must not be positioned in such a way that peoples bodies or limbs can be caught in them, e.g. if power cables are hung up loosely.
- Electric power cables must not be mounted close to open blades or allowed to lie loosely on tables.
- Power sockets, switches, lamp mounts, etc. must function properly and be in good condition. Switches and sockets must have covers.
- Access to the electrical installations of a machine must be blocked.
- High-voltage warning signs must be displayed wherever relevant. This applies for example to main power connection, or to the main fuse box.
- Electrical junction boxes, electric switch-gear/electrical control rooms and fuse boxes must be lockable. They must be accessible only for authorized personnel and housings must be made of flameproof material.
- Work on electric systems must only be done by qualified personnel.
- All electrical installations must be inspected for safety at regular intervals (at least once per month). It is advisable to write reports on the inspections.

c. Fire Protection:

- A functioning fire alarm system must be installed. This includes smoke sensors and alarm devices.
- Fire extinguishers must be properly installed and marked and there must be a sufficient number of them.
- The fire extinguisher must be distributed in the building in such a way that they are easily visible and can be reached by employees within a short time.
- The extinguishers present in the company must be in proper functioning condition. This must be checked at certain time intervals. On inspection, the fire extinguishers are normally marked with a tag showing the period of validity until the next inspection is due.
- To maintain the functioning capability, fire extinguishers must be protected
 - From weather influence, if mounted outside of the building.
 - From the resulting effect, if they are exposed to caustic gases liquids, humidity, etc.
 - From temperature influence (direct radiation from the sun).
- Fire extinguishers must not be placed in such a way that they block escape routes.
- The number of fire fighting devices must be appropriate. Apart from the fire extinguishers, firefighting equipment may include extinguishing blankets, fire fighting hoses, sand, hydrants or sprinkler systems. The appropriate number of fire fighting devices in a room is dependent on the quantity of combustible material, the speed with which a fire can spread and the difficulty of extinguishing the fire. A store for cotton or wooden shed will require more fire fighting devices than a works hall for finishing in a dyeing shop.
- All fire fighting devices must be kept in proper functioning condition and must be marked and easily accessible.
- Portable fire fighting devices must be kept in proper functioning condition and must be marked and easily accessible.

- Portable fire fighting devices must not be placed on ground unfixed. They must be mounted at a height such that all employees can easily take them from the wall without further preparation. They must not be so heavy that they cannot be handled by all employees.
- Fire drills must be conducted regularly at least once per year, including as a minimum:
 - Explanation of fire fighting strategies.
 - Explanation and practice in handling fire fighting devices.
 - Explanation of fire characteristics of various substances used in the company (e.g. petrol, gas, etc.) and the appropriate fire fighting methods.
 - A reasonable number of employees must be trained in fire fighting and in handling the fire fighting devices. The number of employees to be trained like the number of fire fighting devices is dependent on the quantity of combustible material, the speed with which the fire can spread, and the difficulty of extinguishing the fire.
- Evacuation drills must be conducted with the whole workforce at regular intervals at least once per year (the number of intervals can vary as per the Indian state government norms i.e. once in 3 months or once in 6 months or once in a year).
- New employees must be informed of the proper behavior in the event of emergencies.

d. Escape Routes and Emergency Exits:

- Escape routes must be arranged in such a way that they can be used anytime and permit rapid escape.
- They must not be blocked.
- They must be identified with marking and also the escape direction must be marked.
- The number of emergency exits must be sufficient to ensure safe evacuation of employees in an emergency. This depends on the number of people and the circumstances in the room. In a work hall there should be at least two emergency exits.

- Emergency exits must be easy to access. There must be at least one escape route leading to an emergency exit.
- Emergency exits must not be concealed (e.g. by walls standing outside) nor blocked (e.g. by storage of material) or locked.
- Emergency exits must be easily recognizable and therefore sufficiently well marked.
- In rooms where there are more than 10 employees working, emergency exits must be capable of opening to the outside.

4. Sanitary and Social facilities

a. Toilets, Washrooms and other Sanitary facilities:

- Sufficient toilets must be close to the workplace and must be provided with arrangements for protection against odors and insects.
- Separate enclosed accommodation shall be provided for male and female workers.
- Toilets are to be adequately ventilated, well lit, clean and tidy.
- Toilets must be cleaned regularly. There must be a person or persons appointed with responsibility for monitoring this.
- The necessary quantity of toilets is governed by the legal regulation of the states/provinces. But there should as minimum be enough toilets provided so that employees do not have to spend their breaks waiting to use the toilets.
- Depending on the type of production and the legal regulation of the state adequate and suitable facilities for washing shall be provided and maintained for use of the workers.
- Separate facilities shall be provided for the use of male and female workers.
- They must be clean, adequately ventilated, well lit and tidy.
- There must be soap or other body care products, towels and other means of drying provided in the shower rooms/washrooms.

b. First-Aid Facilities:

- In every factory there shall be provided and maintained so as to be readily accessible during all working hours first-aid boxes or cupboards quipped with the prescribed contents.
- For every 100 employees there has to be one first aid box or cupboard.
- Each first-aid box or cupboard shall be kept in the charge of a separate responsible person, who holds a certificate in first-aid treatment recognized by the state government and who shall always be readily available during the working hours of the factory.
- First aid kits should as a minimum include:
 - Bandaging material
 - Means for treatment of open wounds
 - Means for treatment of eye injuries and burns
 - Emergency blankets
 - Pain killers
 - Protective gloves
 - Instructions for first aid
- In every factory wherein more than five hundred workers are ordinarily employed there shall be provided and maintained an ambulance room in the immediate vicinity of the factory/company and always be made readily available during the working hours of the factory.
- The sick room must be regularly cleaned and appropriately equipped. As it makes part of the working area, all regulations with respect to the working conditions, health and safety, hygiene regulations are to be observed here.
- There must be an appropriate number of people with first aid or medical training in every company. Employees at workplaces with high hazard potential must additionally have training in first aid.
- If there is no company doctor employed in the company there has to be an agreement with a doctor or hospital nearby on the treatment of sick and injured persons. There must be provisions if necessary for transportation of injured or sick employees.

c. Drinking water:

- In every factory effective arrangements shall be made to provide and maintain suitable points conveniently situated for all workers employed therein a sufficient supply of wholesome drinking water.
- The points where potable water can be taken are to be clearly marked in a language understood as such to be freely accessible.
- The surrounding of the potable water points must be kept clean and must not be in the immediate vicinity of dangerous areas, water bins, toilets, washing facilities, workplaces, etc. No such points shall be situated within six meters of any washing place, urinals, latrine, spittoon, open drain carrying sludge or effluent or any other source of contamination.
- In every factory wherein more than two hundred and fifty workers are ordinarily employed, provisions shall be made for cooling drinking water during hot weather by effective means and for distribution thereof.
- There must be an appropriate number of glasses or drinking vessels available, unless the water is available in the form of water jet from which it is easy to drink.
- In every plantation effective arrangements shall be made by the employer to provide and maintain at convenient places in the plantation a sufficient supply of wholesome drinking water for all workers (Plantations Labour Act 1951).

d. Eating Facilities:

- In every factory wherein more than 150 workers are ordinarily employed adequate and suitable shelters or rest rooms and a suitable lunch room, with provision for drinking water, where workers can eat meals brought by them, shall be provided and maintained for the use of workers.
- In companies with more than 250 employees canteen shall be provided and maintained by the occupier for the use of the workers.

- The number of seats in the eating rooms/canteens must be reasonable in proportion to the number of employees.
- All regulations for working conditions, health and safety, and hygiene regulations are to be observed. For this regular routine cleaning is required.
- The company is to appoint employees responsible for checking the observance of the hygiene regulations.
- Eating rooms, canteens and kitchens must be kept separate from production areas. The consumption of food at the working place should be forbidden.

e. Dormitories:

- The same requirements respective to health and safety are to be met in dormitories provided to employees by the company as in the production site.
- The building for the dormitories must be suitable for accommodation of people (separated from store rooms and production site) and be properly maintained (e.g. no broken windows, humid rooms, defective staircases, free from vermin, etc.).
- Dormitories must be clean, safe and sufficiently well lit and ventilated.
- The use of dormitories must be voluntary. Employees must be able to leave or enter the dormitories at any time; emergency exits must be capable of opening from the inside at any time.
- There must be safety provisions against theft.
- Each employee must have sufficient space available. Apart from a bed, there must also be a lockable cupboard or similar available for each and every employee for keeping personal belongings.
- If there are families of single mothers with children living in the dormitories, they must be arranged in such a way as to meet the needs of the children.
- Privacy of each occupant must be ensured as far as possible. Shower rooms, wash rooms, sanitary facilities and sleeping rooms must be separate for women and men. It must not be possible to see into them from the outside.
- The hygienic conditions must not lead to health hazard for the employees.

- Room temperature must be appropriate. The dormitories must be ventilated with fresh, uncontaminated air. Facilities for personal hygiene must be appropriately equipped (e.g. toilets, shower rooms and washrooms).
- There must be a sufficient number of toilets available. Regular cleaning of the toilets must be ensured.
- The occupants of the dormitories must have access to potable water.
- Escape routes must be indicated with visible signs and never blocked.
- There must be a sufficient number of emergency exits. The occupants must be able to leave the building in a rapid and orderly manner in an emergency. Emergency exits must be clearly and visibly marked; its doors must open outwards and must be capable of opening from the inside. The doors must not be blocked.
- Fire extinguishers must be fully operational. There must be a sufficient number of them, appropriately distributed, marked and easy accessible.
- Fire fighting and evacuation drills must be conducted by qualified personnel at least once per year, enabling occupants to learn among other things, how to leave the building in an orderly and rapid manner in an emergency.
- All new occupants must be given relevant instruction and information about health and safety regulations in the dormitories.

Measures to Ensure the Compliance with this Standard

General Measures:

- Appoint senior management representative responsible for health and safety.
- Regularly realization of health and safety training and awareness programmes during work hours.
- Installation of a documentation and record system which contains cleaning regulations, register of responsible persons and trained personnel for first aid boxes, use of fire extinguisher etc., content of training and awareness programmes, reports about accidents/injuries and actions taken for improvement.

Measures for Cleanliness:

- Establish and document cleaning plans, name responsible personnel.
- Appoint responsible personnel to be accountable for the implementation and accomplishment of the cleaning plan.
- Provide appropriate working clothes and washing and changing rooms where necessary.

Measures for Lighting:

- Check conditions of lighting system.
- Install appropriate lighting system with natural and artificial light.
- Establish regular maintenance of lighting system.

Measures for Ventilation and Temperature:

- Check temperature and ventilation in factory and establish a regular check of temperature and ventilation and document the results and measures of improvement taken. Easiest way is to appoint responsible person for regular checks and documentation practice. To ensure comparable results of the regular checks (at least once per month) temperature should always be measured at the same place and under similar conditions (e.g. same time of the day).
- Install ventilation or air conditioning systems (windows, electrical systems, etc.) where necessary.
- Check needs of special air extraction and filter systems in case like easily flammable and/or toxic substances are used.
- Provide appropriate protective clothing against heat or cold where necessary.

Measures against Noise:

- Establish regular noise checks.
- Appoint responsible personnel to be accountable for check compliance with noise protection measures.
- Establish documentation system for results and any improvement requirements.

- Make possible alterations at machines or machinery to prevent noise sources.
- Provide appropriate noise protection equipment where necessary and train personnel in the use of this equipment.

Measures for Safety of Machines:

- Check safety of all machines and steam boilers.
- Check appropriateness of danger warning signs.
- Check free access to safety and operating instructions for machines.
- Provide regular accident prevention training.
- Appoint responsible employees to supervise compliance with safety regulations.

Measures for a Safe Handling of Chemicals:

- Establish safety regulations and emergency plan including documentation system that includes testing of air, toxic substances, etc. and up-to date records of employees who are exposed to chemicals, toxic or other harmful substances.
- Establish regulated and documented system of reception, withdrawal and disposal of chemicals.
- Appoint responsible employee to supervise compliance with safety regulations.
- Establish a safety committee consisting of equal number of representatives of workers and management to promote co-operation between the workers and the management is to be set up. Its task is the maintenance of proper safety health at work and the periodical review of the measures taken in that behalf.
- Check marking and storage of all chemical substances.
- Provide protective clothing for employees working with chemical substances.
- Provide training in the appropriate use of chemical substances.

Measures for General Safety of Working Site/Company Building:

- Check the overall conditions of the company building (placement of warning signs, safety signs, building condition, etc.).

- Provide health and safety training for all employees including safety techniques, wearing of personal protective equipment and general information on health and safety.
- Establish documentation system including at minimum date of conduct, content, names of trainer and trainees of training conducted.

Measures for Safety of Electrical Power:

- Check all electronic installations and electronic contacts for safety.
- Check appropriate and visible marking of electronic installations.
- Establish regular inspections of all electronic installations and implement documentation and reporting system.

Measures for Fire Protection:

- Install functioning fire alarm system and check appropriateness of fire fighting devices, smoke sensors, alarm devices and fire extinguishers.
- Establish regular inspection systems and regular fire and evacuation drills.
- Inform new employees about fire protection system and measures.

Measures for Safe Escape Routes and Exits:

- Check appropriateness of all escape routes and exits (number, marking, access, be unlocked).

Measures for Toilets, Washrooms and Other Sanitary Facilities:

- Check number, appropriateness and cleanliness of toilets.
- Establish cleaning plan and appoint person with responsibility for monitoring.
- Check necessity of washing facilities and establish them appropriately where necessary.

Measures for First-Aid Facilities:

- Acquire sufficient first-aid boxes or cupboards (for every 150 employee's one first-aid box/cupboard) with appropriate content.
- Appoint one separate responsible person (with first-aid training) for each first-aid box/cupboard.
- Provide first-aid or medical training for appropriate number of people.
- Establish clean and appropriately equipped sick room in factories with more than 500 employees. Employ company-doctor or establish agreement with doctor or hospital nearby.

Measures for Drinking Water:

- Check placement, appropriateness and cleanliness of potable water points in the company.
- Provide cooling system during hot weather where necessary.

Measures for Eating Facilities:

- Provide appropriate and clean eating facilities. Separate lunchroom or canteen where necessary.
- Appoint responsible person for monitoring of hygiene regulations.

Measures for Safety of Dormitories:

- Check appropriateness of dormitories, including cleanliness, safety, temperature, sanitary facilities, emergency exits and fire protection and maintenance.
- Establish cleaning and maintenance plan.
- Establish information policy for new occupants.

Given the experience with catastrophes in Bangladesh and Pakistan, it is of highest importance to particularly work into all these aspects of health and safety during the unannounced checks in

the factories. Many companies are doing changes in their constructions, in the placement of machines, in electrical wiring etc without thinking for their impact on workers health and safety. Therefore auditors have to be specifically guided to give emphasis to such changes because it helps to avoid very negative effects.

Freedom of Association and Right to Collective Bargaining

Employees have the right to form a join associations in order to represent their concerns jointly vis-à-vis their employer. This right is an inalienable human right which is regarded as a core labour standard. The ISES 2020 has following requirements regarding the freedom of association:

- The company shall respect the right of all personnel to form and join trade unions of their choice and to bargain collectively.
- The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all such personnel.
- The company shall ensure that representatives of such personnel are not the subject of discrimination and that such representatives have access to their members in the workplace.

The Indian Law

1. The company shall respect the workers right to form and join unions.
2. The company shall ensure that representatives of such personnel have access to members and are not subject to discrimination.
3. Employees who are members of a union must not be discriminated.
4. In the absence of a union, a workers committee or workers representative would be advisable.
5. The Plantations Labour Act, 1951 was amended vide Plantations Labour (Amendment) Act, 2010. The amended Act inter alia provides for:
 - a. The amended Act also makes provisions for any worker, an office bearer of the trade union of which such worker is a member, for filing a complaint regarding the commission of an offence under this Act with a provision for providing immunity to the complainant.
 - b. The penal provisions for non-compliance with the provisions of the Act also have been made more stringent for ensuring the effective implementation of the Act.

6. The Government has amended the Industrial Disputes Act, 1947 vide the Industrial Disputes (Amendment) Act, 2010. The amended Act provides for the following:
 - a. Wage ceiling of the workers working in a supervisory capacity has been enhanced from one thousand six hundred rupees per month to ten thousand rupees per month. The wage ceiling has been enhanced to be in consonance with the increase in wages of industrial workers and also to bring about parity with other labour laws like Employees State Insurance Act, 1948, Payment of Bonus Act, 1965 and Payment of Wages Act, 1936.
 - b. The amended Act provides direct access for the workman to the Labour Court or Tribunal in case of disputes arising out of Section 2-A pertaining to retrenchment, discharge, dismissal or termination of services etc. Before the present amendment, such a dispute could be adjudicated by CGIT-cum LC only after a reference is made by the 'appropriate Government'. As a consequence of this amendment, the workman can directly approach the CGIT-cum-LC after filing his grievance before the conciliation machinery to resolve the issue within 45 days if the conciliation machinery fails to resolve the issue. There will be no need for him to approach the 'appropriate Government' for making a reference. This amendment has enabled the aggrieved workman to choose the alternative of adjudication for resolution of his dispute faster.
 - c. The amended Act provides to establish a Grievance Redressal Machinery (GRM) within industrial establishment having 20 or more workmen with one stage appeal at the head of the establishment for resolution of disputes arising out of individual grievances. With this amendment, the workman will get one more alternative grievance redressal mechanism for the resolution of his dispute within the organization itself with minimum necessity for adjudication. The concept of GRM will in no way affect the right of the workman to raise dispute on the same issue under the provision of Industrial Disputes Act, 1947.
7. The provisions of Trade Unions (Amendment) Act, 2001 have been enforced w.e.f. 9.1.2002. The thrust of the amendment is on reducing multiplicity of trade unions, orderly growth of trade unions and promoting internal democracy. The amendments in this Act, in brief, are as under:
 - a. No trade union of workmen shall be registered unless at least 10% or 100, whichever is less, subject to a minimum of 7 workmen engaged or employed in

the establishment or industry with which it is connected are the members of such trade union on the date of making of application for registration.

- b. A registered trade union of workmen shall at all times continue to have not less than 10% or 100 of the workmen, whichever is less, subject to a minimum of 7 persons engaged or employed in the establishment or industry with which it is connected, as its members.
- c. A provision for filing an appeal before the Industrial Tribunal /Labour Court in case of non-registration/ restoration of registration has been provided.
- d. All office bearers of a registered trade union, except not more than one-third of the total number of office bearers or five, whichever is less, shall be persons actually engaged or employed in the establishment or industry with which the trade union is connected.
- e. Minimum rate of subscription by members of the trade union is fixed at one rupee per annum for rural workers, three rupees per annum for workers in other unorganized sectors and 12 rupees per annum in all other cases.
- f. For the promotion of civil and political interest of its members unions are authorized to set up separate political funds.

Checklist

- All employees are free to independently form or join an employee representation organization within the framework of the Indian Law.
- The elected representatives of employees must have free access to the employees.
- Employees may negotiate their concerns vis-à-vis their employer either jointly or through elected representatives, e.g. for collective bargaining agreements.
- There must be a procedure for employees to inform management of any violations of their social rights. This procedure, for example a complaint box, must be known to all employees and they must have free access to it. The procedure must also ensure that management takes note of the complaints and if such complaints are justified tries to remedy their causes. Employees who raise complaints must not be threatened with reprisals.

- Establish documentation system with name of organization and name of employee representatives, name of trade unions and employee representatives and reports of industrial disputes and agreements.

Measures to ensure the Compliance of the Standard

- Check freedom of association to trade unions.
- Establish procedure for employees to inform management of any violations of their social rights.
- Establish documentation systems with relevant documents about employee representatives and agreements.

Discrimination

One talks of discrimination when employees are treated unequally for reasons of personal characteristics, like religion, age, gender, membership with a trade union, race, caste, ethnic origin, disabilities, sexual orientation or political opinion. The ban on discrimination is stipulated in the national and international legislation. The ISES 2020 includes following requirements against discrimination:

- The company shall not engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership or political affiliation.
- The company shall not interfere with the exercise of the rights of personnel to observe tenets or practices or to meet needs relating to race, caste, national origin, religion, disability, gender, sexual orientation, union membership or political affiliation.
- The company shall not allow behavior, including gestures, language and physical contact, that is sexually coercive, threatening, abusive or exploitative.

The Indian Law

The national legal framework against discrimination is stipulated in 'The Constitution of India' of 1950 where the discrimination on grounds of religion, race, sex or place of birth is prohibited. 'The Equal Remuneration Act' of 1976 governs the equality principle of men and women concerning the employment and its payment.

1. The company shall not engage in or support discrimination of any kind on the workplace.
2. The company shall not interfere with the exercise of rights related to social, religious, racial or political identity.
3. The company shall not allow sexually abusive language, gestures or contact.

Checklist

- Employees must be treated equally. This applies in particular to payment and other benefits including promotion and participation in further training.
- All employees having similar skills must have the same opportunity to work overtime within the limits of what is legally permitted.
- Recruitment of employees may be made only in the grounds of their qualifications/skills.
- Termination of employment must not be effected on the grounds of personal characteristics of employees.
- Pregnancy of a female candidate must not have any influence on decision as to whether she is recruited. It is not permissible to ask questions about pregnancy or to have declarations signed with respect to pregnancy.
- No pregnancy tests are permitted in the recruitment process.
- Women must not be disadvantaged or dismissed because they are pregnant.
- The use of contraception must not be made a condition for recruitment or continued employment of employees.
- Differences in payment must not be made on the grounds of personal characteristics of employees.
- Sexual harassment and abuse must not be permitted or tolerated in the company. If nevertheless cases of sexual harassment or abuse occur, they are to be investigated and sanctions to be imposed accordingly. Sexual harassment can take the form not only of physical action, but can take place also through deprecatory statements related to the sex of the employees.

Measures to Prevent Discrimination

- Establish a preventive approach against discrimination. For example:
 - Include a passage against discrimination in the internal rules of the company with disciplinary measures, if cases of discrimination occur.

- Provide training for senior employees and foreman to recognize discrimination and to prevent it and to react appropriately in event that cases of discrimination occur.
- Establish a human resource management system that grounds on the qualifications/skills of the employees. This shall include recruitment, payment, organization of overtime etc.
- Provide training for the responsible recruitment personnel.

Disciplinary Practices

Disciplinary measures like corporal punishment, mental or physical coercion verbal abuse are forms of forced labour. As national and international legislation as well as ISES 2020 prohibit all aspects of forced labour, this standard treats disciplinary practices as a specific point:

- The company shall not engage in or support the use of corporal punishment, mental or physical coercion and verbal abuse.

The Indian Law

1. The company shall neither use nor support the use of corporal punishment.
2. The company shall neither use nor support physical coercion nor verbal abuse.

Checklist

- The use of physical or mental compulsion for employees is prohibited under all circumstances as well as for refusal of access to food, toilets and/or medical treatment.
- There exists a documented disciplinary system that regulates disciplinary procedures, which must not include corporal punishment, physical coercion or verbal abuse. All employees know these disciplinary procedures.
- Workers are familiar with the company discipline policy and their vis-à-vis management and the procedures for filing complaints accordingly.
- Workers, unions and local NGOs know the disciplinary procedures and feel able to register appeals without any negative repercussions.
- Salary reductions as disciplinary measures are prohibited.

Measures against disciplinary practices

- Establish a documented disciplinary system that regulates disciplinary procedures within the legal framework, including documented rules for infractions.
- Inform employees about the company discipline policy and their right vis-à-vis management and the procedures.
- Inform unions and workers representatives about disciplinary system of the company.

Working Hours

National law and international regulations regulate working times with the purpose to protect the health of employees and to protect companies from economic damage. ISES 2020 has specific requirements to meet the minimum social standard in this respect:

- The company shall comply with applicable laws and industry standards on working hours, in any event, on a regular basis, be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven day period.
- The company shall ensure that overtime work (more than 48 hours per week) does not exceed 12 hours per employee per week, is not demanded other than in exceptional and short term business circumstances and is always remunerated at a premium rate.

The Indian Law

The national legal requirement for working hours is stipulated in '**The Factories Act**' of 1948, chapter VI on the 'Working hours of adults'. The Factories Act (Amendment) Bill, 2016 and 2014 amends the Factories Act, 1948.

1. Personnel shall not be required to work in excess of 48 hours per week. Working hours should be displayed at a conspicuous place.
2. The Plantations Labour Act, 1951 was amended vide Plantations Labour (Amendment) Act, 2010. The amended Act inter alia provides for:
 - a. The Act provides that no adult workers and adolescent or child shall be employed for more than 48 hours and 27 hours respectively a week, and every worker is entitled for a day of rest in every period of 7 days.
3. One day off per week.
4. Overtime not in excess of 12 hours per week or 75 hours or more per quarter as per below mentioned rule.
 - a. Overtime hours of work in a quarter of a year (Amendment of subsection 4 in clause iv of Section 64): The Act permits the state government to make rules related to the regulation of overtime hours of work in some specific condition up to 50 hours for a quarter. The specific conditions include urgent repairs, preparatory or complementary work which must necessarily be carried on outside

the limits laid down for the general working of the factory, work which is necessarily so intermittent that intervals during which they do not work while on duty, any work which for technical reasons must be carried on continuously, making or supplying articles of prime necessity which must be made or supplied every day, a manufacturing process which cannot be carried on except during fixed seasons, a manufacturing process, which cannot be carried on except at times dependent on the irregular action of natural forces, work engaged in engine-rooms of boiler-houses or in attending to power plant or transmission machinery, engaged in the loading or unloading of railway wagons or lorries or trucks and in any work, which is notified by the State Government in the Official Gazette as a work of national importance. However, the total number of hours of overtime must not exceed 50 hours for a quarter. The Bill raises this limit from 50 hours to 100 hours. Rules in this regard may be prescribed by the central government as well.

- b. Overtime hours if the factory has higher workload (Amendment of Section 65): The Act enables the state government to permit adult workers in a factory to work overtime hours if the factory has an exceptional workload. Further, the total number of hours of overtime work in a quarter must not exceed 75. The Bill permits the central or state government to raise this limit to 115 hours in a quarter.
 - c. Overtime in public interest (Amendment of Section 65, inserted after sub section 3 and before the Explanation): The Bill introduces a provision, which permits the central or state government to extend the 115-hour limit to 125 hours. It may do so because of public interest.
 - d. State Government will have the power to double Employment threshold limits for factories: In a fresh proposal circulated on 14th February, 2017, the labour ministry has stated that state government will have the power to double employment threshold limits from 10 workers to 20 workers in units using power for manufacturing and from 20 workers to 40 workers in units that do not use power for manufacturing, except in factories with “hazardous processes”. Moreover, according to the fresh amendment, state governments could decide the employment threshold for a unit to be considered a factory under the Factories Act by simply issuing a notification to this regard.
5. Overtime not on regular basis, always paid at premium rate and always voluntary.

Checklist

- Check daily, weekly and monthly working hours. Working times remain in the legal framework. Workweek does not exceed 48 hours.
- Overtime is restricted to 12 hours per week or 50 hours per quarter. Overtime should remain an exception caused by exceptional business circumstances (delays caused by natural disaster, travel accidents that affect delivery etc.) and has to always be paid at premium rate and always be voluntary.
- Employees are given breaks in compliance with labour law (minimum 30 minutes break after 5 hours work).
- Workers are given at least one day off for every seven day period.

Measures to Regulate Working Hours

- Establish a working time record system for all employees in order to calculate working time. Possible methods for recording working times are an attendance list, punch cards or computerized time recording systems. The record system should include:
 - Beginning and end of the working time for each day.
 - Beginning and end of breaks for each day
 - Overtime on working days, Sundays, public holidays
 - Rest days
 - Days of sickness or other absence with indication of reason
 - Periods of absence without indication of reasons
- Establish measures to reduce and/or even avoid overtime:
 - Employees must receive corresponding compensation in form of free time within the payment period.
 - Employees in a department where overtime is avoided receive a bonus.
 - Production planning is effected on a long-term basis as far as possible.
 - In order to respond to short-term, unforeseeable orders, auxiliary employees are recruited on a temporary basis.
 - Introduce a 2 shift system for example for areas where there are bottlenecks.

Compensation

There are legal minimum wages stipulated by national law. These regulate the minimum wages to be paid to employees for regular working time, the payment of non-working, the payment of non-working time as well as supplements pay. Furthermore national and international regulation and the ISES 2020 envisage a pay or salary that should be sufficient to meet the basic needs. ISES 2020 has following specific requirements and propositions regarding the issue of compensation:

- The company shall ensure that wages paid for a standard working week shall meet at least legal or industry minimum standards and shall always be sufficient to meet basic needs of personnel and to provide some discretionary income.
- The company shall ensure that deductions from wages are not made for disciplinary purposes and shall ensure that wage and benefits composition are detailed clearly and regularly for workers. The company shall ensure that wages and benefits are rendered either in cash or check form in a manner convenient to workers.
- The company shall ensure that labour only on contracting arrangements and false apprenticeship schemes is not undertaken in an effort to avoid fulfilling its obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations.

The Indian Law

The national legal regulations for compensation are stipulated in the '**The factories Act**' of 1948, '**The Plantations Labour Act**' 1951, '**The Payment of Wages Act**' of 1936 and the '**The Minimum Wages Act**' of 1948. Local labour laws provide details about the requirements for the minimum wage to pay.

1. Pay minimum wages as per the requirements of the local labour laws. Minimum wages applicable should be displayed at a conspicuous place.
2. Wages should be sufficient to meet basic needs.
3. Overtime is paid at the rate of twice the ordinary rate of wages.

4. The Plantations Labour Act, 1951 was amended vide Plantations Labour (Amendment) Act, 2010. The amended Act inter alia provides for:
 - a. The scope of definition of 'worker' has been enlarged by enhancing wage ceiling from Rs.750/- to Rs.10,000/- per month. Contract workers who have worked more than 60 days in a year have also been included within the ambit of the Act. With this, such worker will also be able to avail the benefits as provided in the PLA, 1951.
 - b. The Act provides that no adult workers and adolescent or child shall be employed for more than 48 hours and 27 hours respectively a week, and every worker is entitled for a day of rest in every period of 7 days.

Checklist

- Meeting the basic needs wage is defined as a goal within this standard.
- Wages must at least meet legal or industry minimum standards defined in the local labour laws or negotiated in collective bargaining agreements with the trade unions.
- Overtime is paid at twice the rate of the ordinary wages.
- Wages must be paid at least monthly within 7 days (companies with up to 1000 employees) or within 10 days after the regular calculation period.
- Payment must be in monetary form, either in cash, by bank transfer or cheque. Payment in goods or finished products is not accepted.
- Payment must be in a manner convenient to employees ensuring that they are not obliged to travel any significant distance or make an extra trip or incur any cost to collect their pay.
- There must be payment records for each individual employee.
- The employee must receive a pay slip showing the elements, which make up their wages and any reductions completely and comprehensibly.
- The payment of wages must be continued for certain non working periods, like national and religious holidays, during sickness, during maternity leave and parental leave, during the days of vacation stipulated by law or agreed for the company, during short-time working (idle times) and in case of operational times off.

- The payment of social security contributions must be on extra deduction from employee wages for social security contributions. These are legal requirements.
- Deductions from pay may be only effected to a limited extent (income tax on wages and salaries, social security funds). Deductions as disciplinary measures, deposits, entry fee to a production site, charge for use of tools and machines or requirement charges are not allowed.
- Deductions for paying back loans and advances on wages granted are allowed, if the loans do not exceed a reasonable amount. An employee must be capable of paying back the loan within 12 month, without the wages paid out dropping below the minimum wage level. No interests may be charged on loans to the company's own employees and their dependents.
- Apprenticeships are not to be used as a way to hire workers at reduced wages and/or benefits under the guide of training.

Measures to Ensure the Compliance with the Standard

- Check that wages level at least meets legal or industrial minimum standard.
- Check appropriateness of payment of wages.
- Establish documented wage accounting system, including wage lists, deduction payments from wages, social security papers and time record system.
- For apprenticeships establish clearly defined training agendas parallel to the period of apprenticeship.

Measure or Meeting the Basic Needs Wage

The overall goal of the ISES 2020 standard is the achievement of a 'basic needs wage'. Often the minimum wages stipulated by the local governments are not sufficient to cover the cost of living of the employees and their dependent family members.

The amount of the Basic Needs Wage is difficult to determine as it depends on the cost of living, which varies from region to region and city to city in the country. Here it is advisable to work together with local authorities, NGOs and/or trade unions in order to receive appropriate data for the calculation of the basic needs wage.

For a first impression to find out how high the cost of living is in order to safeguard the livelihood for a family of average size at the location of the company add together the monthly costs of:

- Food
- Clothing
- Housing (including electricity, water and heating)
- Transport and travel
- Medical provisions
- Children's education
- Other necessary costs
- 10% of the amount calculated so far as saving reserves

Assuming that on an average there are two family members who have an income the total above can be divided by 2. If after this the legal minimum wage is higher than the calculated basic needs wage, the legal minimum wage must naturally be paid as a minimum.

If the company doesn't pay a wage that meets the basic need and allows for some discretionary income, there will be the need to develop a plan of action and a time schedule for progressing towards the "goal wage" meeting the basic need over a specified period of time. Given that it is difficult to raise wages immediately to the recommended level a time frame of up to 18 months should be aimed for.

Upstream Suppliers / Sub-Suppliers

Already the first requirement of the ISES 2020 treats the issues of suppliers and sub-suppliers. This specific requirement focuses once again on all companies that supply any services and goods for production with the aim of implementing the standard throughout all the production processes including the supplied goods and services by other companies and / or home-workers.

- The company has to ensure that the Code of Conduct is adhered to by the sub-suppliers and / or contractors / sub-contractors as well.

The Indian Law

1. The main supplier / exporter as a company are responsible to ensure that his suppliers / contractors / sub- contractors fulfill the requirements of ISES 2020. It is his responsibility that the supplier / contractor / sub-contractor pay minimum wages to its workers.

Checklist Regarding Control of Suppliers:

- The company selects subcontractors, suppliers and sub suppliers not only on the basis of price and quality, but also with a view to their potential for complying with the ISES 2020 standard facilities. This implies:
 - To inform the company about all relevant matters and measures taken on behalf of complying with the social requirements of ISES 2020.
 - To inform the company of all relevant business relations with their own sub-contractors, suppliers and sub-suppliers.

- To be disposable for monitoring of the company and to undertake corrective actions

- Maintaining appropriate documentation about evidence to show the commitment with compliance to ISES 2020 standard.

Checklist Regarding Control of Home-workers:

- Home-workers are basically to be treated the same way as other employees concerning working conditions. This means:
 - It is necessary to conclude written contracts with home workers and to oblige them to comply with the requirements of the ISES 2020 standard.
 - Document the identity, goods produced or services provided and compensation in accordance with the calculated working time of the home-workers.
 - Home-workers must have understood the requirements of the ISES 2020 standard. This requires for example that the contracts must be written in the languages spoken by the home-workers.
 - The company has to make sure that the home workers comply with the requirements of the ISES 2020 standard. For this purpose you must conduct announced and unannounced monitoring visits to the home-workers.

Environment Protection

The ISES 2020 includes not only social aspects but also requirements for environmental protection. This part of the standard is concerned with beginning of pipe measures aiming at a cleaner production, and end of pipe measures pointing on the proper disposal. The company should include environmental criteria in the purchase procedure for raw material, chemicals and machinery. There must be a proper documentation on energy usage, water usage and effluent treatment performance.

The consideration of environmental aspects in the audit is not a substitute for a complete environmental audit.

- The company shall establish an environmental management system, which ensures that within the processes of acquisition, storage, production and waste management there are no causes for land, water and / or air pollution.
- Two representatives (one senior management representative appointed by the company and one employee representative chosen by the non- management personnel) shall ensure that the environmental requirements are being implemented. Both representatives shall be provided with the necessary authority to guarantee the implementation of ISES 2020 and to line up necessary measures for this purpose.
- The company shall establish and maintain procedures to identify potential situations and respond to accidents and emergency situations and for preventing and mitigating the environmental impacts that may be associated with them.
- The company shall establish and maintain regular documented procedures to monitor and measure the key characteristics of its operations and activities that can have a significant impact on the environment and adopt corrective action plans where necessary.
- The company shall establish, document, maintain and effectively communicate to personnel and other interested parties policies and procedure for the protection of the environment.

The Indian Law

The **Environment (Protection) Act** empowers the Central Government to establish authorities [under section 3(3)] charged with the mandate of preventing environmental pollution in all its forms and to tackle specific environmental problems that are peculiar to different parts of the country. The Act was last amended in 1991.

- The Environment Protection Act; 1986. Penalty for contravention of the provisions of the act and the rules, orders and directions:
 - Whoever fails to comply with or contravenes any of the provisions of this Act, or the rules made or orders or directions issued there under, shall, in respect of each such failure or contravention, be punishable with imprisonment for a term which may extend to five years with fine which may extend to one lakh rupees, or with both, and in case the failure or contravention continues, with additional fine which may extend to five thousand rupees for every day during which such failure or contravention continues after the conviction for the first such failure or contravention.
- Forest Conservation Act 1980 with amendments made in 1988
- Environmental Protection Act 1986
- The Mines and Minerals (Development and Regulation Amendment Bill 2015)
- The ISES 2020 also includes recommendations as per policies influencing the eco-restoration activities such as:
 - National Forest Policy (NFP), 1988,
 - National Wildlife Action Plan (NWAP), 2002,
 - Wildlife Conservation Strategy 2002

General Approach to Environmental Protection: Good House-Keeping

As an important starting point for improving environmental performance of manufacturing companies, the guide emphasizes “good housekeeping” practices. Good Housekeeping refers to a number of practical measures based on common sense. They deal with preventing the loss of all material, minimizing waste, conserving water, saving energy and improving the company’s operational and organizational procedures. The idea behind this concept is that with only minor investments and the implementation of easy, practicable and small actions the overall environmental performance of a company can be improved.

Key elements of good house-keeping are measures that aim at the efficient use of material and resources as well as an appropriate storage, handling and transport of the material. This includes as well the reduction and recycling of waste material, water / waste water and energy.

An efficient use of material and resources as well as the proper storage and handling of material leads to the diminution of input costs. Furthermore the recycling of waste diminishes the costs of disposal. In this way good housekeeping measures can provide a real economic asset for a company helping to reduce the production costs on the one side and lessening the amount of pollution on the other side.

Each of the following chapters deals with good house-keeping measures and gives some examples for practices to reduce unnecessary wastage of raw material. The list of examples given here is not exhaustive.

Waste / Hazardous Waste:

If goods are produced in a company, this always is connected with waste. Avoidance of waste/hazardous waste is the best strategy for dealing with waste materials. Reducing the waste and recycling the waste material enables to save cost and to reduce pollution of the

environment.

The waste that rises within the production process must be disposed of properly. This means that the waste material must not pollute the environment. This applies as well to hazardous waste. The company is responsible for a proper disposal of waste materials and has to bear the cost of it.

Checklist

- Waste material/hazardous waste has to be stored in such a way that they cannot cause damage to the environment, and so they can be disposed of properly by a disposal company.
- Particularly dangerous waste material (e.g.: chemicals, oils) are to be kept in closed tanks and containers. Additional use of collection basis provides reliable protection.
- Waste materials are to be stored in such a way that they that they do not create a hazard for employees. For example, they must not be stored in staircases or corridors, because this could block escape routes and increase fire risk.
- All plastics/polythene/slag/waste rock waste are to be removed from the mining areas and sent to the waste material disposal unit operating under the Store Keeper for purposes of recycling / reuse.
- All plastics/polythene/waste rock is to be removed from forests and sent to the waste material disposal unit operating under the Store Keeper for purposes of recycling/reuse.

- Establish good housekeeping measures to minimize the accumulation of waste / hazardous material :
 - Monitor the quality of purchased raw material
 - Only keep the quantity of really necessary inputs in store
 - Ask the suppliers whether raw material could be purchased with less packaging
 - Ensure proper storage to protect raw materials from floor water and ground level humidity.
 - Separate waste from recyclable waste
 - Use intact and safe containers to prevent leakage
 - Go for Recycling / reusing / selling certain waste (e.g. paper, glass, plastic)
 - Reduce /avoid and reject trade returns
 - Check possibilities to reduce the packages of own products

Chemicals:

Various chemicals and oils may occur in the production process. It is essential to prevent chemicals from seeping into the ground. This would be a hazard to groundwater, and therefore to potable water. Storage should best be done in closed tanks with collecting basins. Chemicals, oils and solvents must be disposed of separately and in accordance with proper methods, in order to avoid danger for human beings. It is not permitted under any circumstances to discharge chemicals into rivers or lakes, or to pour them into drains.

Checklist:

- Storage of chemicals, oils and solutions must be appropriate in tanks with collective basins.

- All employees should be informed of all places of storage of hazardous chemicals. Such storage places are to be marked accordingly.

- The employees who are responsible for storage and disposal of chemicals must have sufficient qualification for this activity.

- Disposal of chemicals must be done in such a way as to ensure that there is no pollution of the environment. Always have chemicals to be properly disposed of by a qualified disposal company.

- Oils are to be collected by an oil separator, and greases by a grease separator. These separators are to be emptied regularly, and their contents to be properly disposed of.

- Hand pumps have to be used when transferring chemicals / oils to separate containers for distribution and the process need to be undertaken on thicker gauge polythene ground sheets.

- Old and used oil need to be collected in special cans and sent to a professional disposal company.

- Establish good house-keeping measures to avoid the contamination of the environment by chemicals:
 - Ensure and monitor appropriate and safe storage of chemicals
 - Avoid spillage and leakage
 - Establish adequate, secure and controlled extraction of chemical substances
 - Only extract as much substance as necessary for the production process
 - Apply the first in-first out principle
 - Take direct routes to destination of chemicals
 - Do not mix chemicals with waste materials
 - Supply workers / employees who handle and / or get in contact with chemicals with proper personal protection equipment.
 - Place danger warning signs

Water / Waste water

Waste water is used water. This can be water polluted with chemicals but also water used in kitchens and canteens. It must not be discharged without treatment. Minimizing the consumption of water, conservation of water and reducing waste water enables saving of costs and reduction in the impact on the environment.

Checklist:

- Reduce consumption of water in production
- Wastewater should undergo at least a preliminary treatment
- Establish an effluent treatment plant where necessary
- If it is not possible to use a sewer for discharge of pre-treated waste water, settling basins and soaking pits may be used. Such settling basins are used to filter solids out of the water. Soaking pits filled with gravel may be used to discharge the remaining waste water. However, discharge may only be undertaken in consultation with the local authorities.
- Cleaning and washing any machinery or vehicles in forest streams or rivers is not permitted.
- Establish good house-keeping measures to minimize the consumption of water through:
 - Monitoring of everyday water consumption and quality
 - Installation of water meters and level controllers
 - Introduction of closed water systems to reduce water consumption
 - Avoidance of spillage and leakage
 - Checking on running tabs
 - Reusing of suitable water sources (ex: rain water for toilet flushing or watering of garden areas)

Air

The air pollution is change of the natural consistency of the air caused by the emission of unnatural and / or toxic substances and gases. The company is responsible for the substances it emits into the air and has to adopt appropriate precautionary measures. Companies must abide by the national and international legal regulations and limits of emissions. Reducing the emissions to an absolute minimum, at the best avoiding them, and implementing appropriate measures to pre-test the emissions enables to save cost and to reduce pollution in the environment.

Checklist:

- Establish a monitoring system to regularly verifying the values of the emissions and if they are within the legal regulations.
- Establish good house-keeping measures to minimize the emissions of toxic and / or unnatural substances and gases that pollute the air:
- Employment of filters

Energy Conservation:

An awareness and understanding of climate change intensifies the case for conserving energy and for switching to energy generated from renewable sources is becoming increasingly strong. In the long run the environmental strategy of a company shall focus on the change of fossil fuels to renewable energy, which have little or no environmental impact. It is produced from sustainable sources, such as the power of wind, water, waves, tides, solar and biological sources.

Given the difficulty of an immediate replacement of fossil fuels with renewable energy the company shall focus on the establishment of an energy conservation plan considering short

term measures to minimize the use of energy and long term measures for the usage of renewable energy.

Checklist:

- Establish an energy conservation plan that considers the minimization of heating and cooling, water heating, windows and lighting.
- Monitoring of the every-day energy consumption
- Proper maintenance and upgrading of the heating, ventilation and air-conditioning system.
- Establish good housekeeping measures to minimize the use of energy:
 - Installation of programmable thermostats that adjust the times of turning on and off for the heating / air conditioning system and water heating.
 - Installation of white window shades to reflect heat away from the building
 - Installation of Compact Fluorescent Lamps (CFL's)
 - Avoid running machines which are not in actual use for production
 - Ensure proper insulation of hot water pipes to avoid energy losses
 - Installation of adequate electrical cabling and wiring to avoid any waste of electricity and damage to machines
 - Check possibility to adjust air conditioning system to a less cool temperature (22-24 degree centigrade)
- Check possible sources for renewable energy nearby.
- Check possibilities to turn regenerative energy when extending power generation activities.

Biodiversity:

ISES 2020 lays stress on incorporating Biodiversity in phases of the mining life cycle. It is considered as an important step for companies to take towards assessing and measuring the impacts of their operations on biodiversity.

ISES 2020 Biodiversity criteria incorporate the following:

- Phase 1: The initiation of feasibility studies and environmental and social impact assessments.

A preliminary baseline examination encompassing the physical, biological and socioeconomic environment in the form of an Initial Environment Examination (IEE) is proposed as a means of starting the scoping and preparation phase. The Purpose of an IEE at this stage of mining life cycle process would be to:

- a) Establishing the need for further surveys and environmental assessments
- b) Establish relations with Governments/Environmental Authorities and Regulators (EPAs) for a continual dialogue and feedback process on the legal requirements and applicable guidelines for site development and environmental assessment protocols and procedures
- c) Compile a biodiversity action plan to monitor key biodiversity indicators and highlight any mitigation measures, offsets in a biodiversity management matrix
- d) Start stakeholder consultation so that stakeholder concerns are incorporated in the preliminary stages and “double-backing” is reduced significantly and resources can be allocated effectively.

- Phase 2: Operations Phase

Start environmental monitoring, reporting and auditing phase

Use Environmental Management Plan (EMP) and Geographical Information Systems (GIS) to monitor change in resources (water, air emissions and noise). Biodiversity and human impact against EMP.

The ISES 2020 recommends a GIS framework which can be used to reflect the amount of change (deviation) in a particular resource from the environmental management plan. Since a GIS uses a database to store records it is also a valuable tool for monitoring and reporting site activity till site closure.

Activities in this phase will include

- a) Regulation of water abstraction in areas of high concentration of naturally occurring species
- b) Minimize ecological disturbance (minimal vehicular activity, camp sites) in species rich areas
- c) Air emission and noise monitoring and impact on local wildlife

- Phase 3: Rehabilitation & Closure

ISES 2020 follows The Central Government Notification No. GSR 329 (E) dated 10.04.2003 and No. GSR 330 (E) dated 10.04.2003 amended the Mineral Concession Rules, 1960 and Mineral Conservation and Development Rules, 1988 respectively with respect to the laws governing mine closure.

As per these amendments all the existing mining lessees are required to submit the "Progressive Mine Closure Plan" along with prescribed financial sureties within 180 days from date of notification. Further, the mining lessee is required to submit "Final Mines Closure Plan" one year prior to the proposed Closure of the mine. In the notification it has been enumerated that the "Progressive Closure Plan" and "Final Closure Plan" should be in the format and as per the guidelines issued by the Indian Bureau of Mines.