

Monitoring result for Laguna Clothing LLP on site LAGUNA CLOTHING LLP

Monitoring

Monitored Party	: Laguna Clothing LLP	amfori ID	: 356-000074-000
Site	: LAGUNA CLOTHING LLP	Site amfori ID	: 356-000074-002
Address	: No. 143/2, Kalegowdanadoddi, B.M Road, NH 209, Kanakpura Taluk, Ramanagar District - 562117	Monitoring Activity	: amfori Social Audit - Manufacturing
	: 56217, Ramanagaram	Monitoring Type	: Full Monitoring
	: Karnataka	Submission Date	: 27/07/2021
	: India	Expiration Date	: 27/07/2023

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Overall rating



Section rating

PA1: Social Management System	B
PA 2: Workers Involvement and Protection	A
PA 3: The Rights of Freedom of Association and Collective Bargaining	A
PA 4: No Discrimination	A
PA 5: Fair Remuneration	A
PA 6: Decent Working Hours	A
PA 7: Occupational Health and Safety	A
PA 8: No Child Labour	A
PA 9: Special Protection for Young Workers	A
PA 10: No Precarious Employment	A
PA 11: No Bonded Labour	A
PA 12: Protection of the Environment	A
PA 13: Ethical Business Behaviour	A

General description

Milind Chougule - RA 21700527 - Intertek India Pvt Ltd - 13 & 14 July 2021
Balappa Pujer - ASCA 21700745 - Intertek India Pvt Ltd - 13 & 14 July 2021
Anand Rao - RA 21700731 - Intertek India Pvt Ltd - 13 July 2021
Total onsite audit conducted for 4.5 Man day Onsite and 0.5 Man day offsite for reporting.

M/s. Laguna Clothing LLP is a limited liability company and it is located at No. #143/2, KALEGOWDANA DODDI VILLAGE SHIVANAHALLI POST, KANAKAPURA TALUK RAMNAGAR DIST-562117, KANAKAPURA, Karnataka, India.

The total land area occupied by the facility is about 12320.52 square meters and constructed/built-up area is about 11399.13 square meters. The facility has provided canteen and dining hall and Crèche facility to their employees. No dormitory facility is provided and it is not a legal requirement in this country.

The facility is engaged in manufacturing of woven ready-made garments - mainly shirts for Men and Women. The production capacity is 14000 Pieces per day.

In view of the facility, the facility has 06 concrete buildings and below is the description as per each building.
Building 1 consists of ground floor, mezzanine floor, 1st floor, 2nd floor and 3rd floor. Fabric store, finished goods storage, compressor area, Main EB Panel, Boiler, DG set, Packing store, Cutting section, medical room, creche, pantry, Cad room, feeding room is located on ground floor. Conference room and cabins are located on mezzanine floor. Cartoon box storage, trim store, sewing, training room, finishing-checking, Ironing, trimming and packing is located on 1st floor. Trim store, spot wash, sewing, finishing-checking, Ironing, trimming and packing is located on 2nd floor. Store room, Kitchen and Canteen is located on 3rd floor.
Building 2 consists of ground floor. Oil and diesel storage room, carpentry room, OCR is located at this building. Building 3 consists of ground floor. Sewage treatment plant and control room is located at this building. Building 4 & 5 consists of ground floor. This are used as parking sheds. Building 6 & consists of ground floor. Security office is located at this building.

The main production processes are listed as follows:

Raw Material / Fabrics receipt – Cutting- Embroidery - Stitching – Checking - Finishing – Ironing - Packing and Dispatch

A total of 1551 employees are currently working in the facility. All 1551 employees are directly hired by the facility. Out of 1551 employees 57 employees (39 Male and 18 female) are engaged for Non production activities and 1494 employees are engaged in production activities(314 male and 1180 female) and security guards are engaged by the facility directly.

Employees work for 6 days a week and in 01 general shift and the facility's working hours as follows.

General Shift: 8.45 AM to 6.15 PM

Lunch: 12.45 PM - 1.15 PM, 1.15 P.M. - 1.45 PM and 1.45 PM. - 2.15 P.M.

Weekly off: All Sunday and every first and fourth Saturday.

Security employees are working in 3 shifts and shift timings are 6.00 AM to 2.00 PM, 2.00 PM to 10.00 PM, 10.00 PM to 06.00 AM.

The facility follows different pattern for working hours. They work 09 hours as normal working hours per day and works for 5 days. Total normal working hours are 45 hours per week and it is meeting to the legal requirement of 48 hours per week. It was noted that All Sunday and every first and fourth Saturday are weekly rest days. The employees if engaged at work on Saturday are considered as Overtime work (3 hours of work - normal work hours and 06 hours as overtime hours) and wages are paid at premium rate accordingly to local law. The local labour department is informed on the arrangement of such working hours and working days and they are in receipt of approval from them dated 18 June 2019.

All employees are regular/permanent employees. There are no contract employees employed by the facility for production purpose. Employee wages are calculated based on the monthly rate basis and paid once in a month on or before 10th working day of the following month. The mode of payment is through Bank. It was given us to understand by the facility management that they do not have peak season for their production and it is generally constant production throughout the year.

Note: Collective bargaining agreement is not uploaded as the facility does not have labor union or collective bargaining agreement in place.

Contractor License/permit is not uploaded as the facility has not engaged any employees on contractual basis at production department.

7.13 - Non conformance evidence photo not available to add in photo report.

Observation 1. #Covid19 - Lockdown Period: Due to #Covid19 outbreak, the local/state government had enforced lock-down from 29 April until 7 May 2021 and government further extended lock-down with relaxations until end of May 2021. The facility has worked for April 2021 except on 28th April 2021 and all employees are paid accordingly, further the facility has worked up to 9th May 2021. The facility was closed completely from 10th May 2021 to 2nd June 2021, the facility has paid the full wages to the employees for lockdown period. In the year 2020, Supreme court of India has granted stay order over payment of wages

during lock-down period and hence, current situation of non payment of wages to the absent employee is considered and accepted.

2. #Covid19 -Creche facility - The facility has discontinued creche due to #Covid 19 restrictions.

3.Labour Department Order on implementation of Variable dearness Allowance: The local/state government has revised Minimum wage and revised minimum wage notification is applicable from 1st April 2021 to 31st March 2022. The legal minimum wage includes components like Basic wages and Dearness allowance wages. Review of revised minimum wage notification indicates that the minimum wage has been calculated considering variable dearness allowance applicable for the previous year - 1st April 2020 to 31st March 2021. Notification issued by the government (commissioner of labor) dated on July 20, 2020 that payment of variable dearness allowance/VDA hike from 1st April 2020 is deferred and site was permitted to follow VDA that was released in October 2019. For the new minimum wage notification applicable from 1st April 2021, as 2020 VDA hike is still under deferred stage, the facility has calculated difference amount (without consideration of VDA hike for the year 2020) based on VDA notification in October 2019 and VDA notification applicable for the period from 1st April 2021. Since decision on payment of VDA hike for the year 2020 is still pending and labour department is yet to give recommendation on implementation of VDA of year 2020, current wage calculation of Basic & VDA is accepted by the auditor.

Auditor Note: The audit at Laguna Clothing LLP was planned as Unannounced basis and audit was scheduled for 2 days on 13 July 2021 and 14 July 2021 to cover 4.5 mandays on the site. Auditors assigned for this audit were – Anand Rao as Lead Auditor and Milind Chougule as a – Team Auditor and Balappa Pujer as a Team Auditor. During day 1 of audit while audit was in progress, due to unexpected medical emergency, Lead auditor – Anand Rao has to cancel his schedule/audit assignment on 2nd day. As he was assigned as a Lead auditor for this site, other auditors were not able access the platform to start the audit. Therefore, in order to start the audit, audit request was cancelled by auditing company and based on the request by us, RSP holder had again requested the audit on the day 1 of audit while audit was in progress. New audit request was assigned to Milind Chougule as a Lead Auditor and Anand Rao as a Team auditor and Balappa Pujer as Team auditor. Audit window for new request was from 14 July 2021. As audit was already started on 13 July and it was cancelled only to change the name of Lead auditor so that lead auditor can access the platform to start the audit, audit was performed on 13 & 14 July 2021.

Site Details

Site : LAGUNA CLOTHING LLP

Site amfori ID : 356-000074-002

GICS Classification

Sector : Consumer Discretionary

Industry : Textiles, Apparel & Luxury Goods

Industry Group : Consumer Durables & Apparel

Sub Industry : Textiles

GS1 Classifications

N.A.

Product Process Classifications

N.A.

Metrics

Key Metrics

Total workforce	1485 Workers
Legal minimum wage in local currency	9231 Monthly
Lowest wage paid for regular work at the site	9231 Monthly
Calculated living wage in local currency	8360 Monthly
Total sample	40 Workers

Other Metrics

Male workers	264 Workers
Female workers	1221 Workers
Permanent workers - Male	353 Workers
Permanent workers - Female	1198 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	4 Workers
Management - Female	0 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	0 Workers
Workers on probation - Female	0 Workers
Workers with night shift - Male	4 Workers
Workers with night shift - Female	0 Workers
Workers with disabilities - Male	16 Workers
Workers with disabilities - Female	3 Workers
Domestic migrant workers - Male	0 Workers
Domestic migrant workers - Female	0 Workers
Foreign migrant workers - Male	0 Workers
Foreign migrant workers - Female	0 Workers
Workers hired directly - Male	353 Workers
Workers hired directly - Female	1198 Workers
Workers hired indirectly - Male	0 Workers
Workers hired indirectly - Female	0 Workers
Unionised workers - Male	0 Workers
Unionised workers - Female	0 Workers
Workers under CBA - Male	0 Workers
Workers under CBA - Female	0 Workers
Pregnant workers	0 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	6 Workers
Sample - Male	9 Workers
Sample - Female	31 Workers

Findings

PA1: Social Management System

Non Compliance Issue # 1 Local Law requirement - Not Applicable. In accordance with Amfori code of conduct requirement Finding: The management system is partially effective and there were findings noted in the audit under other performance areas. For details, please refer to performance area - PA 7 and PA 13.

Not applicable

PA 7: Occupational Health and Safety

Non compliance Issue # 1 Local Law requirement - In accordance with Factories Act 1948 chapter I Section 7A (1) Every occupier shall ensure, so far as is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory. Finding: Based on the tour of the facility, it was noted that metal hand gloves provided. 01 out of 20 were found broken and operator was found using the broken Metal gloves. Note: it is rated as partially as the facility has provided 19 operators working metal hand gloves.

Not Applicable

Non compliance Issue # 1 Local law requirement: In accordance with Indian Electricity Rules section 45. Precautions to be adopted by consumers 1[owners occupiers], electrical contractors, electrical workmen and suppliers. Section 47 (2) (2) If as a result of such inspection and test, the supplier is satisfied that the installation is likely to constitute danger, he shall serve on the applicant a notice in writing requiring him to make such modifications as are necessary to render the installation safe. The supplier may refuse to connect or reconnect the supply until the required modifications have been completed and he has been notified by the applicant. Finding: It was observed during facility tour that full rubber mat covering the space in front of panel board was not provided at Electrical distribution point near finishing section at ground floor. Note: it is rated as partially as the facility has provided rubber mats at other panel boards provided in the facility.

Not Applicable

PA 13: Ethical Business Behaviour

Non Compliance Issue # 1 Local law requirement - Not Applicable. In accordance with the BSCI Code of conduct requirement - 13.1 Finding: The facility did not show any evidence to confirm that all production employees are trained on the facility's anti-bribery / ethics policy and procedure. The last training was done only for staff level employees. Training was done on 18 June 2021 and 107 staff/supervisory staff has attended this training. For production employees, training plan has been developed and it is under process. Since issue only for production employees, rating has marked as "partial".

Not Applicable.