



**Integra Apparels and Textiles Limited
(Ashok Piramal Group)**

36/5, 27th Main, Haralakunte Village, Somasundrapalya, HSR Layout, Bangalore – 560 102

Integra's
Integra's
Terms of Engagement

Terms of Engagement

Authenticity Inspiration Commitment Honesty

These are the core values of Integra's. We measure ourselves values and we measure our business partners in the same way

Consistent with these values, we accept our business partners- contractors, sub-contractors, suppliers and others-to conduct themselves with the utmost fairness, honesty and responsibility in all aspects of their businesses

The standards of Engagement are tools that assist us in selecting and retaining business partners who follow work place standards and business practices consist with our policies and values. As guiding principles, they help identify potential problems so that we can work with business partners to address issues to concern as they arise. Business partners must develop and implement action plan monitored by business partners themselves, our internal monitoring team and external independent monitors

Specifically, we accept our business partners to operate work places accordingly to the following standards and practices.....

General Principle Business partners must comply fully with all legal requirements relevant to the conduct of their businesses.

Employment Standards We will do business only with business partners who treat their employees fairly and legally with regards to Wages, Benefits and working conditions, in particular the following standards will apply

Forced Labour Business partners must not use forced labour, whether In the form of prison labour, indentured labour, bonded Labour or otherwise, No employee may be compelled to

Work through force or intimidation of any form

Child Labour Business partners must not employ children who less than 18 years or less than the age for completing compulsory education in the country of manufacture, where such age is higher than 18

Discrimination Business partners must make recruitment and post hiring decisions based on ability to do the job, rather than on the basis of personal characteristics or benefits. Business partners must not discriminate in hiring and employment practices on the grounds of race, national origin, gender, religion, age, disability, marital status, association membership, sexual orientation or political opinion

Wages and Benefits Wages are essential for meeting the basic needs of employees and discretionary expenditure, in all cases, Wages must equal or exceed the minimum wage, required by law or the prevailing industry wage, whichever is higher, and legally mandated benefits must be provided. Wages must be paid directly to the employees by cash or check. Information relating to wages must be provided to employees in a form they understand. Advances of, and deduction from, wages must be carefully monitored and comply with law.

In addition to compensation for regular working hours, Employees must be compensated for over time at the rate legally required in the country of manufacture or in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate

House of Work Employees must not be required, except in Extraordinary circumstances, to work more than 60 hours per week including overtime or the local legal requirement whichever is less. Employees must be allowed at least 24 hours consecutive hours rest within every 7TH day period, and must receive paid annual leave

Freedom of Association and Bargaining Business partners must recognise and respect the rights of employees to join and organize associated of their own choose and to bargain collectively. Where law Specifically restricts the rights to freedom of association and collectively bargaining. Business partners must not obstruct alternative and legal means for independent and free association or collective bargaining. Additionally, business partners must implement system to ensure effective communication with employees

Disciplinary Practices Employees must be treated with respected and dignity. No employees may be subjected to any physical, sexual, Psychology or verbal harassment or abuse

Health and Safety A safe and hygienic working environment must be provided and occupational health and safety practices which prevent work related accidents and injury must be promoted. This includes protection from fire, accidents and toxic substances. Lighting, heating and ventilation system must be adequate. Employees must have access at all times to sanitary facilities which should be adequate and clean. Business partners must have health

and safety policies which are clearly communicated to employees

Community

We will favour business partners who make efforts to

Involvement

contribute to improving conditions in the countries and communities in which they operate.

The Mission of our Team

- To Promote Fair and Safe Workplace
- Identifying and eliminating poor and unfair working conditions
- Educating business partners, suppliers, Integra employees and the staff in the meaning and importance of Terms of Engagement program to Integra as a company
- Training Business partners, Integra's employees to understand the content of the standards and requirements of the Integra's TOE Team
- Developing support for our team's mission from Business partners
- Managing a monitoring system involving combined internal and independent external audits
- Encouraging and developing the proactive systems that will anticipate and prevent problems in Labour, Health and Safety, and the Environment in the factories of our business partners

Unauthorized Policy

All our business partners should understand that, "Integra shall have the right to investigate any allegations of matters relating to the Engagement



Letter, including holding interviews with workers and having access to facilities and records relating to such allegations”

Non-Retaliation Policy

It is extremely important that factory employees are able to discuss the conditions of employment in the factory openly and honestly during audits. If workers suffer in any way after being interviewed by the auditors, this is considered a very serious breach of the Terms of Engagement, as well as breach of the agreement. We have with our partners regarding access to the factory and workers

Our Policy on non-retaliation is set out below:

Workers must not suffer any discrimination or unfair treatment as a result of freely expressing their views on factory conditions during discussion with auditors. Discrimination or unfair treatment includes but is not limited to:

- Loss of Job;
- Loss of opportunity for promotion
- Discrimination in job assignments;
- Discrimination in job reassignments; and
- Loss of wages due to participation in interviews with auditors

It is important that workers feel free to express their views on any subject without fear of retaliation or retribution, in the experience of our team, workers make valuable suggestions that will improve both employee satisfaction and production output in the factories. This can only happen in an atmosphere of trust and openness. Good communication and understanding between management and workers will improve relationships with in the factory and promote improved conditions. This result in higher productivity and efficiency, and ultimately in better business performance

In order to develop open atmosphere in which workers may express their views and provide suggestions, it is important that factory adopts, communicates and fully supports the non retaliation policy. This policy should be signed by management and posted in a prominent places

Disciplinary Practices

Identifying some common examples of Non-Compliance

Physical Abuse

☞ Unauthorized physical forms of discipline or punishment are in use, for example beating, standing in front of the production line, running around the factory building and unpleasant cleaning task

Sexual Abuse

☞ Employees are subject to Sexual Harassment, such as being touched inappropriately, commenting on the employees' appearances in a suggestive or inappropriate manner, continually asking the employee out or for sexual favour, creating a hostile or uncomfortable environment, for example, by displaying pornographic material

☞ Security Guards perform body searches on workers in the production areas or as workers leave the factory grounds

Psychological Abuse

☞ Workers are singled out for poor performance and made to write letters for self-criticism, or wear or display objects with identify them as poor workers, such as a black cap, black shirt or black flag on their machine

☞ Records of disciplinary actions stating the name of the worker, the offense and the fine or punishment are posted around the factory on public notice boards for education purposes

☞ The factory forces workers to sign warning letters or other records of discipline, even when they do not agree with the warning

Verbal Abuse

- ☞ The factory supervise practice verbal harassment, such as shouting at workers, using rude languages or calling workers by insulting names
- ☞ Supervisors rely on arbitrary threats, such as dismissal, to manage workers and control their behaviour

It is not possible for the factory to comply with the standard on disciplinary practices unless the factory uses a total quality management approach to its treatment and the management of the workforce. This approach requires a reasonable factory rules to be published and provided to all the employees. It also means that the factory should have a progressive disciplinary system in place and an appeal or grievance procedures for workers. It is necessary for factory management to arrange regular training for all supervisors and departmental heads on the factory rules and progressive system of discipline