

Fokus auf Indien - Aktuelle Entwicklungen des Arbeitsmarktes: Erfahrungsbericht

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Indian (labor and life) environment...

...how do corporates assess the new labor code...

Understanding Freudenberg...

...some field examples...



Indian (labor and life) environment...



Don't compare apples and mangos...



Bilder... und Beispiele

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How do corporates assess the new labor code...

SWOT India: Assessment 2021:

Key Highlights of the New Labour Codes impact



Strengths

- ~~Huge sales market~~
- **Fast growing economy / above average growth**
- Increasing number of highly educated people
- Many global players already present
- International R&D-centers
- ...



Weaknesses

- **Insufficient infrastructure, only slowly improving**
- **Extensive bureaucracy**
- **Inflation**
- **Low “ease of doing business” rating**
- **High diversity within the country**
- **Drive of Execution**
- ...



Opportunities

- ~~High potential for consumer products~~
- **Many governmental initiatives to develop India's infrastructure**
- ~~Emerging middle class~~
- Growth potential in several markets
- Geopolitical importance
- ...



Threats

- **Corruption / dirty money**
- **High gender / social inequality**
- **Long-term court cases and unclear laws**
- **Local competitors with lower prices**
- **Partly low technical requirements**
- **Limited product-range produced in India**
- ...

Revamping the Labour Laws in India

4 Codes formulated to consolidate 29 Acts and related Rules

Sr. No.	Name of the Code	Important Areas
1	The Code on Wages (Subsumes 4 Labour enactments)	<ul style="list-style-type: none">• Payment of Minimum Wages• Bonus• Equal Remuneration 1937
2	The Occupational Safety, Health & Working Conditions Code (Subsumes 13 Labour enactments)	<ul style="list-style-type: none">• Factories• Contract Labour• Inter-State Labour• Building & Construction Workers 1948
3	The Code on Social Security (Subsumes 9 Labour enactments)	<ul style="list-style-type: none">• Employees' Compensation• Employees State Insurance• Maternity Benefits• Employees' Provident Fund & Gratuity 1923
4	The Industrial Relations Code (Subsumes 3 Labour enactments)	<ul style="list-style-type: none">• Industrial Disputes• Trade Unions

Revamping the Labour Laws in India

Benefits

- Recognition of new concepts like fixed term employment / gig workers
- Consistent definitions across laws
- Avoiding overlapping of provisions and logical consolidation of enactments
- Ease of Implementation
- **Reduced periodical compliance obligations**
- **Use of technology**
- **Effective enforcement**

Challenges

- **Central Rules yet to be notified**
- **Re-structuring of salary components**
- **May result in higher costs to the company**
- **May result in lower take-home salary for the employees**
- Contractor compliance
- **States may have separate set of rules**



Understanding Freudenberg...

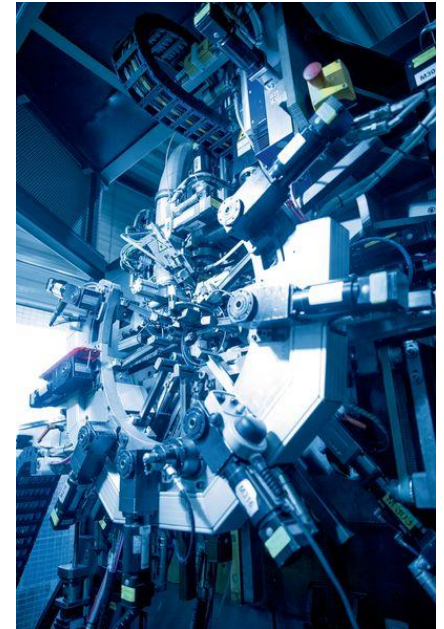
Freudenberg Group

Without Freudenberg,

- indoor air would not be as clean
- cars would not drive
- and wounds would not heal as quickly

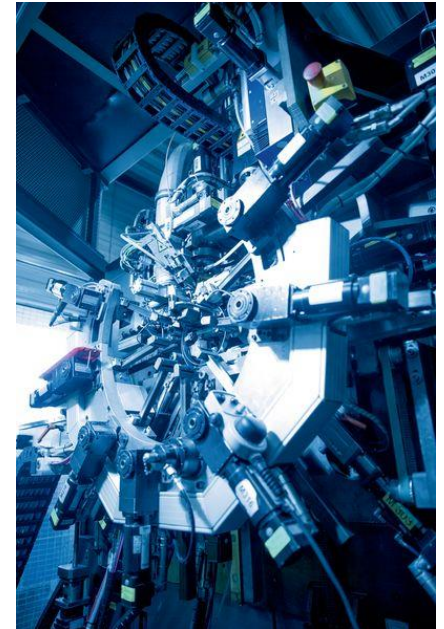
And these are just three examples from the thousands of applications

A normal day is almost unthinkable without Freudenberg



Freudenberg Group

- seals
- vibration control components
- technical textiles
- filters
- specialty chemicals
- medical products
- the most modern cleaning products



We provide hidden high performance and high tech, while also being in the midst of life

Freudenberg Group

- 172 years Corporate History, **Family owned**
- Five Markets, 60 countries
- 40 Market Segments
- Thousands of Applications
- When technology, complex processes and sophisticated products work reliably, Freudenberg is often behind it
- Our long-term material, system and technology competence is a key that always opens new doors for us – to new markets, innovative products and solutions
- Innovations create competitive advantage. As a technology group and development partner, we see things from our customers' perspective and help them succeed
- **Responsibility is an integral component of the Freudenberg Spirit.** It is reflected in both our quest for greater sustainability and in numerous aid projects.





Bild... und Beispiele



...some field examples

Overall Compliance Structure at Freudenberg

- **At the Global level: -**
 - Freudenberg Group is a participant of the United Nations Global Compact since 2014
 - The Principles are based on Human Rights, Labour, Environment & Anti-corruption
- **At the Group level: -**
 - **The Guiding Principles of the Group** - Basis for all actions in the Freudenberg Group
 - Important elements - People, Responsibility and Long-Term Orientation
 - **The Code of Conduct** – Expected business conduct from each associate
 - Important elements – Working together (Anti-discrimination, anti-harassment), Health, Safety & Environment
- **At the Regional level: -**
 - Application of global commitments and Group Principles
 - Compliance with national and regional laws and regulation

Implementation at Freudenberg Entities/Sites

- **Regional Ethics Office**

- For effective implementation of 'Values and Principles' and 'Freudenberg Code of Conduct'

- **Corporate Social Responsibility**

- Even before CSR was made mandatory by law, Freudenberg had set-up the Freudenberg Training Centre (FTC) at Nagapattinam to help Tsunami victims

- **Mandatory medical check-up of employees**

- Already in place at Freudenberg Gala even before the Occupational Safety, Health & Working Conditions Code mandate

- **Crèche**

- Freudenberg companies have a fully functional crèche – FNI Chandigarh

Some highlights

- **Accident free days – Commitment to Safety of employees**
 - Freudenberg Filtration has more than 6,650 no. of accident free days
 - Freudenberg Performance Materials has 5,550 no. of accident free days
- **Ensuring labour compliances in the supply chain**
 - No forced / child labour on construction sites
 - Mandatory compliance with labour laws by all suppliers and service providers
- **Responsible labour practices during Construction phase of our plants**
 - Freudenberg NOK Sealing Technology Plant in Chennai
 - Labour camps for construction workers have basic amenities and provide sufficient space for the labour to have a comfortable stay
 - Accident free 1.25 million man hours during construction of the FNI Chennai plant



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THANK YOU

