




# Sedex Members Ethical Trade Audit Report

Version 6.0



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC253677305	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS253677319
Business name (Company name):	Indesore Sweater Ltd.		
Site name:	Indesore Sweater Ltd.		
Site address: <i>(Please include full address)</i>	Deger Chala, National University, Gazipur Sadar, Gazipur-1704	Country:	Bangladesh.
Site contact and job title:	Ms. AYESHA Siddika/ DGM- HR & Compliance		
Site phone:	+ 88-01711262000	Site e-mail:	aysha@indesore.com
SMETA Audit Type:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	04 April, 2018		

	<b>Report Owner (payee):</b>  <b>Indesore Sweater Ltd.</b>
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Audit Conducted By					
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

## Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.0 April 2017 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

### 2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
  - Universal rights covering UNGP
  - Management systems and code implementation,
  - Responsible Recruitment
  - Entitlement to Work & Immigration,
  - Sub-Contracting and Home working,

### 4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

## SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size): **Nil**

Auditor Team(s) (please list all including all interviewers):

Lead auditor: **Md. Hasan**

Team auditor: **Mahamud Hasan, Asif Foisal and Md. Kamal Hossain**

Interviewers: **Md. Hasan & Mahamud Hasan**

Report writer: **Md. Hasan**

Report reviewer: **Md. Abdul Mottaleb**

Date of declaration: **4 April, 2018**

*Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.*

*This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.*





## Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	<a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>		0	0	• No Observation was found in this section.
0B	<a href="#">Management systems and code implementation</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01	0	0	<b>One (1) Non-Compliance:</b> • Facility did not have any generator operating license.
1.	<a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• No Non-conformity was found in this section.
2	<a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	• No Non-conformity was found in this section.
3	<a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	07	0	0	<b>Seven (07) Non-Compliance:</b> • Factory management did not appoint a trained fire officer for monitoring fire safety equipment and internal training for their fire fighters and fire rescuers. • Approximately 70% fire fighters and fire rescuer were not wearing the specific dress. • Factory did not provide

									<ul style="list-style-type: none"> <li>canteen facility for the workers.</li> <li>Facility did not provide dining facility to the workers.</li> <li>Approximately 40% belt cover was missing with auto placket machines at 7<sup>th</sup> floor.</li> <li>Approximately 15% Jacquard machines operators and 10% winding machine operators were not using ear plug during work.</li> <li>Aisle mark found partially blocked by machines in 6<sup>th</sup> floor at jacquard section.</li> </ul>
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>No Non-conformity was found in this section.</li> </ul>
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	3	<p><b>One (3) Good Example:</b></p> <ul style="list-style-type: none"> <li>The factory has provided attendance bonus BDT. 300 for all workers and Production bonus provided for all piece rate workers.</li> <li>The factory management organized annual picnic for all employees.</li> <li>The factory management provided free monthly food allowance for all pregnant workers and new mother.</li> </ul>
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>No Non-conformity was found in this section.</li> </ul>
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>No Non-conformity was found in this section.</li> </ul>
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	<ul style="list-style-type: none"> <li>No Non-conformity was found</li> </ul>

									in this section.
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• No Non-conformity was found in this section.
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• No Non-conformity was found in this section.
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• No Non-conformity was found in this section.
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• No Non-conformity was found in this section.
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• No Non-conformity was found in this section.
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	• No Non-conformity was found in this section.

General observations and summary of the site:

#### Summary of the site:

Indesore Sweater Ltd. Was Deger Chala, National University, Gazipur Sadar, Gazipur-1704 Bangladesh. The factory was established on 2008. The total factory area was 254,869 square feet and the production area was 225,000 square feet. The factory specialized in the manufacturer all kinds of sweaters factory. In view of facilities, the factory is made in 01 multi storied production building and one two storied ETP building.

Production process Winding, Jacquard, Linking, Trimming, Mending, Sewing, Washing, PQC and Finishing. Peak season (April to September). Monthly production capacity 425, 000 Pcs.

On the day of audit, there were 2214 employees (male-1550 & female-664) in the factory in which 1882 production employees and 332 non production employees. General working hour in the factory was from 08:00 am to 05:00 pm with 60 minutes break from 01:00 pm to 02:00 pm. Only Jacquard section was 2 shifts. First shift start from 08:00 am to 05:00 pm and Second shift start from 08:00 pm to 05:00 am with 60 minutes break for each shift. If in case of emergency worker can 02 hours overtime in voluntary basis. Weekend of the factory was Friday. However, All workers are local.



Factory was using punched card as a time keeping system for all workers.

*\*Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*

## Site Details

Site Details										
A: Company Name:	Indesore Sweater Ltd.									
B: Site name:	Indesore Sweater Ltd.									
C: Applicable business and other legally required licence numbers and documents, for example, business license no, liability insurance, any other required government inspections	<p><b>Trade License No:</b> 25, issued by Gazipur city corporation, which is valid till June 30, 2018.</p> <p><b>Factory License No:</b> 13747/Gazipur, issued by Bangladesh Government this is valid till June 30, 2018.</p> <p><b>Fire License No:</b> DD/Dhaka/24753/2014, issued by Bangladesh Fire Service &amp; Civil Defence Authority which is valid till June 30, 2018.</p> <p><b>Certificate of Incorporation:</b> C-69466(1977)/08.</p>									
D: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	All kinds of sweaters factory									
E: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Indesore Sweater Ltd. Was Deger Chala, National University, Gazipur Sadar, Gazipur-1704 Bangladesh. This is approximately 14 km far from Hazrat Shahjalal International Airport, Dhaka. The factory was established on 2008. The total factory area was 254,869 square feet and the production area was 225,000 square feet. The factory specialized in the manufacturer all kinds of sweaters factory. In view of facilities, the factory is made in 01 multi storied building and one two storied ETP building. All employees are Bangladeshi by birth. In general, the employees are working for 6 days in a week (Saturday to Thursday). Friday is weekly holiday.</p> <p>No dormitory was provided by the factory. Employees and workers' wages are calculated and paid on monthly rated basis.</p> <p><b>Note:</b> The factory management follows "The Minimum wage Gazette Notifications for RMG sector" that has published on 5th December, 2013.</p> <p><b>Details floor Descriptions are given below:</b>  <b>Factory has one (01) multi storied building and one two storied building.</b></p> <table border="1"> <thead> <tr> <th>Building No.</th> <th>Descriptions</th> <th>Remark, If any</th> </tr> </thead> <tbody> <tr> <td>1 (9 storied building)</td> <td></td> <td></td> </tr> <tr> <td>Basement Floor</td> <td>Generator, Electrical Sub Station.</td> <td>Nil</td> </tr> </tbody> </table>	Building No.	Descriptions	Remark, If any	1 (9 storied building)			Basement Floor	Generator, Electrical Sub Station.	Nil
Building No.	Descriptions	Remark, If any								
1 (9 storied building)										
Basement Floor	Generator, Electrical Sub Station.	Nil								

	<table border="1"> <tr> <td>Ground Floor</td><td>Chemical room, Bonded ware house, Washing section, Boiler room, Medical facility and Day care.</td><td>Nil</td></tr> <tr> <td>1<sup>st</sup> Floor</td><td>Finishing section.</td><td>Nil</td></tr> <tr> <td>2<sup>nd</sup> Floor</td><td>Linking section, Sample section and Accessories store.</td><td>Nil</td></tr> <tr> <td>3<sup>rd</sup> Floor</td><td>Finishing section</td><td>Nil</td></tr> <tr> <td>4<sup>th</sup> Floor</td><td>Vacant floor.</td><td>Nil</td></tr> <tr> <td>5<sup>th</sup> Floor</td><td>Office and Jacquard section</td><td>Nil</td></tr> <tr> <td>6<sup>th</sup> Floor</td><td>Jacquard section</td><td>Nil</td></tr> <tr> <td>7<sup>th</sup> Floor</td><td>Jacquard section</td><td>Nil</td></tr> <tr> <td>8<sup>th</sup> Floor</td><td>Vacant Floor</td><td>Nil</td></tr> </table> <p>Building 2: <b>ETP building.</b></p> <p>Visible structural integrity issues (large cracks) observed and without structural engineer evaluation</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Details: No cracks were observed on the day of audit. Moreover, as per provided engineer evaluation plan report, the factory building found structurally safe.</p>	Ground Floor	Chemical room, Bonded ware house, Washing section, Boiler room, Medical facility and Day care.	Nil	1 <sup>st</sup> Floor	Finishing section.	Nil	2 <sup>nd</sup> Floor	Linking section, Sample section and Accessories store.	Nil	3 <sup>rd</sup> Floor	Finishing section	Nil	4 <sup>th</sup> Floor	Vacant floor.	Nil	5 <sup>th</sup> Floor	Office and Jacquard section	Nil	6 <sup>th</sup> Floor	Jacquard section	Nil	7 <sup>th</sup> Floor	Jacquard section	Nil	8 <sup>th</sup> Floor	Vacant Floor	Nil
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6 <sup>th</sup> Floor	Jacquard section	Nil																										
7 <sup>th</sup> Floor	Jacquard section	Nil																										
8 <sup>th</sup> Floor	Vacant Floor	Nil																										
sF: Site function:	<p><input type="checkbox"/> Agent</p> <p><input checked="" type="checkbox"/> Factory Processing/Manufacturer</p> <p><input type="checkbox"/> Finished Product Supplier</p> <p><input type="checkbox"/> Grower</p> <p><input type="checkbox"/> Homeworker</p> <p><input type="checkbox"/> Labour Provider</p> <p><input type="checkbox"/> Pack House</p> <p><input type="checkbox"/> Primary Producer</p> <p><input type="checkbox"/> Service Provider</p> <p><input type="checkbox"/> Sub-Contractor</p>																											
G: Month(s) of peak season: (if applicable)	April to September.																											
H: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p><b>Product:</b> All kinds of sweater factory.</p> <p><b>Process:</b> Winding, Jacquard, Linking, Trimming, Mending, Sewing, Washing, PQC and Finishing</p> <p><b>Production Capacity:</b> 425, 000 pcs per month.</p> <p><b>Main Equipment:</b> Below machines are being used in the factory  Computerized Flat Knitting M/C 799 Pcs, Winding M/C 22 Pcs, Winding Auto Transfer M/C 675 Pcs, Semi Auto Knitting M/C 10 Pcs, Auto Placket M/C 17 Pcs, Dial Linking M/C 742 Pcs, Auto Drawstring M/C 54 Pcs, Overlock M/C 24 Pcs, Button hole M/C 18 Pcs, Button Stitch M/C 14 Pcs, Bartack M/C 20 Pcs, Flat Lock M/C 3 Pcs, Plain M/C 102 Pcs, Washing M/C 8 Pcs, Hydro Extractor M/C 8 Pcs, Auto Gas Dryer M/C 12 Pcs, Auto Winding M/C 2 Pcs, Vacuum Table With Industrial Stem Iron 127 Pcs, Dust Cleaner M/C 8 Pcs, Needle Detector M/C 2 Pcs, Boiler 4 Pcs, Generator 3 Pcs, Snap Button M/C 1 Pcs.</p>																											

I: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (Name) <input checked="" type="checkbox"/> Worker Committee- (Participation Committee) <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
J: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
K: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes approx. % of workers in on site accommodation: Not Applicable
L: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers: Not Applicable
M: Were the site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, please give details: 95% workers come from the local site. Factory did not provide any accommodation.

Audit Parameters			
B: Time in and time out	Day 1 Time in: 09:40 Day 1 Time out: 18:30	Day 2 Time in: NA Day 2 Time out:	Day 3 Time in:NA Day 3 Time out:
C: Number of Auditor Days Used:	Four auditors in one day		
D: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define		
E: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 03 weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>No</b> , why not		
G: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause		
T: Who signed and agreed CAPR (Name and job title)	Ms. AYSHA Siddika/ DGM- HR & Compliance		
Is further information available(if Yes please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Y: Previous audit date:	23 & 24 April, 2017.		
Z: Previous audit type:	Full Initial.		
Was any previous audit reviewed during this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	Not Applicable		

<p>E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)</p>	<p>No trade union at this factory.</p>
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## Worker Analysis

“ The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity

### Worker Analysis

	Local			Migrant*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	1550	Nil	Nil	Nil	Nil	Nil	Nil	1550
Worker numbers – female	664	Nil	Nil	Nil	Nil	Nil	Nil	664
Total	2214	Nil	Nil	Nil	Nil	Nil	Nil	2214
Number of Workers interviewed – male	43	Nil	Nil	Nil	Nil	Nil	Nil	43
Number of Workers interviewed – female	19	Nil	Nil	Nil	Nil	Nil	Nil	19
Total – interviewed sample size	62	Nil	Nil	Nil	Nil	Nil	Nil	62

A: Nationality of Management	Bangladeshi.
B: Majority nationality of workers	Main countries: Bangladeshi Country 1: Bangladeshi approx 100 % total workforce_100%_ Country 2: N/A_____ approx % total workforce_0%_ Country 3: N/A_____ approx % total workforce_0%_
C: Worker remuneration (management information)	____50____% workers on piece rate ____0____% hourly paid workers ____50____% salaried workers  Payment cycle: ____0____% daily paid ____0____% weekly paid ____100____% monthly paid ____0____% other – please give details

Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)	Total group interviews 40 Employees. 08 Groups of 05.	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 15	Female: 07
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If N, please give details: Management recruits all direct workers.	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	Nothing to report.	
I: What did the workers like the most about working at this site?	Wages are always paid on time, management is positive & working environment is better condition.	
J: Any additional comment(s) regarding interviews:	Nothing report.	
K: Attitude of workers to hours worked:	Positive.	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please give details:		
M: Attitude of workers: (Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk		

The auditor selected workers randomly from different section, religion and gender for interview. The workers were fearless during the interview process. They were satisfied with their wages, payment system and work place environment. Individual and group interview were conducted in a private place without the presence of any representative from the management. Individual interview conducted with 22 workers and group interview conducted with 40 workers (08 groups of 05 persons) all the interviewees were favourable with the management and factory environment.

N: Attitude of worker's committee/union reps:

*(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk*

Participation committee representative was comfortable with management, workplace and interview process. During opening meeting Participation committee representative Vice President (PC) was present and auditors clearly explained him about the audit, audit process, necessity of audit and audit criteria in local language. In the period of interview with workers committee representative discussed her feelings to the auditors without any hesitation and confusion.

O: Attitude of managers:

*(Include attitude to audit, and audit process. Both positive and negative information should be included)*

Management of the factory was positive and supportive during the whole audit Ms. AYSHA Siddika, DGM- HR & Compliance the key person of the compliance team and he was responsible for compliance with the Code, legal requirements, development of policies and its implementation, monitoring & control. In this backdrop, management had comprehensive knowledge, as assumed, about audit requirements and scope; e.g. ETI base code, local laws etc. The factory management was found to be cooperative throughout the audit.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

[\(Click here to return to NC-table\)](#)

#### 0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

#### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:** Facility has well developed policy on respecting Human rights in workplace. They have definite policy on child labor, forced labor, freedom of association, discrimination and also communicated to all appropriate parties including its own supplier. Ms. AYSHA Siddika, DGM- HR & Compliance is responsible for implementing standard concerning Human rights and others code of conducts. Facility has well developed supplier selection polices and have identified their stakeholder, their impact and silent issues. And also measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights. Where there is any adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation through internal audit and monitoring.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Management interview and employee interview  
Factory policy & rules and regulations.  
Letter of Authorization on implementing Human Rights  
Impact for Human Rights assessment report

Any other comments: No

A: Policy statement that expresses commitment to respect human rights?

☒ Yes

☐ No

Please give details: The facility had posted on policy

	board regarding Child labour, Forced labour, Discrimination, Harassment, Freedom of association, Workplace health and safety condition.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Ms. AYSHA Siddika Job title: DGM- HR & Compliance
C: Does the businesses have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has installed complain box or suggestion box at toilet are where worker can report issues confidentially.
D: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All the information collected from worker is stored in individual worker's personal files and the files are kept in safe condition at the HR office. That information are only used for official purpose and not disclosed to others without authentication from the worker.

Findings	
<b>Finding: Observation</b> <input type="checkbox"/> <b>Company NC</b> <input type="checkbox"/> None Observed  <b>Additional elements:</b> Not Applicable  <b>Comments:</b> Not Applicable	<b>Objective evidence observed:</b> Not Applicable

Good examples observed:	
Description of Good Example (GE): None Observed	<b>Objective Evidence Observed:</b> Not Applicable

## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	Last year: 2017 __3__ %	This year: 2018 __3__ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	0.75%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year / 2] * number available workdays in the year	Last year: __5__ %	This year: __4__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month	Last year: __1.25__ %	This year: __1__ %
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Factory has maintained regular accident register.	
F: Annual Number of work related accidents and injuries per 100 workers: [Number of work related accidents and injuries * 100] / Number of total workers]	Last year: Number: 04 Workers	This year: Number: 02 Workers
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [Number of work related accidents and injuries * 100] / Number of total workers]	01 Person	01 person
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	Last year: 0	This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months __90__% workers	12 months __92__% workers
J: % of workers that work on average more than 60 total hours / week in the	6 months __0__% workers	12 months __0__% workers



last 6 / 12 months:		
k: % Workers report that they know what paid leave is due to them (I.e. is it communicated and understood)	___100___% workers	
l: % complaints resolved / grievances responded to.	___100___% complaints / grievances responded to	___100___% complaints / grievances resolved

## 0B: Management system and Code Implementation

[\(click here to return to NC Table\)](#)

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
- 0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.4 Suppliers are expected to communicate this Code to all employees.
- 0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:** Top management of the factory has signed the policies those policies complying with the local legal requirements as well as the ETI Code of Conduct. The company has been assigned Ms. AYSHA Siddika/ DGM- HR & Compliance who is responsible for the compliance with the code and to implement updates the legal compliance. All policies are communicated to the employees through the display in the notice board and training sessions. The factory Compliance department carries out on social compliance issues. The factory management arranges training for the workers on the legal rights, child labour, force labour, harassment & abuse as regular interval and training interval is monthly basis.

**Evidence examined—to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

Facility Management Interview  
Document review (Policy record review and training register review)  
Workers Interview  
Facility tour

Any other comments: None

### Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

☐ Yes

☒ No

Please describe: No such fines/ prosecutions evident.

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes

☐ No

Please describe: There is effective policy and procedures found to reduce the risk of forced labour, child labour, discrimination and harassment & abuse.

C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Factory has communicated policy and procedures on risk of forced labour, child labour, anti-corruption & anti-bribery, discrimination and harassment & abuse with the workers through training program and also posted those policies in the notice board. No complaint found from interviewed workers too.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Managers and workers have received training on the standards for forced labour, child labour, legal rights, discrimination, harassment & abuse.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Managers and workers have received training on forced labour, child labour, legal rights, discrimination, harassment & abuse as regular training interval is monthly basis. Child labour training was conducted January 20, 2018. Forced labour training was conducted on 03 February, 2018, Harassment & abuse training was conducted on February 06, 2018. Discrimination training was conducted February 01, 2018. During the interview of manager, supervisor & workers were well aware about these policies and procedures.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: BSCI Audited and GOTS, OCS and RCS Certified.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Facility has an independent Human Resources Ms. AYSHA Siddika/ DGM- HR & Compliance with 08 HR officers responsible for this department.
H: Is there a senior person /manager responsible for implementation of the Code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Ms. AYSHA Siddika/ DGM- HR & Compliance responsible for implementation of the code.
I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: There is a policy for confidentiality of worker information.
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	Please describe: All information is retained confidential at Human Resource office in each workers designated personal file.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Facility has internal audit procedure to assess the effectiveness of policy and procedure.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Corrective action taken on the internal audit finding. Internal audit conducted on monthly basis.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Facility has policy which is aligning with local law requirement.
<b>Land rights</b>	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Facility has all legal documents relating to required land rights licenses and permissions.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Facility has a designated person to recognize and apply national laws and practices relating to land title. Moreover, Facility is strictly following the local labour law in all aspect.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, how does the company obtain FPIC: The facility has written policy on land rights, however, it is not included any due diligence the company will undertake to obtain free, prior and informed consent.
Q: Is there evidence that facility site compensated the owner/lessor for the land prior to the facility being built or expanded. Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The land is owned by the facility owner. If any expansion required prior approval is required from Department of Factories and labour.
R: Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: Not applicable, as the audited facility

minimize adverse impacts Please give details.	does not contains such activities and prior approval is taken from government before start the production.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: There is no illegal appropriation of land for facility building or expansion of footprint.

### Non-compliance:

#### 1. Description of non-compliance:

- ☒ NC against ETI/Additional Elements ☒ NC against Local Law  
☐ NC against customer code:

It was noted through documents review and management interview that facility did not have any generator operating license (factory had 2 generator for 1056 Kw). Note that facility has applied and deposited required fees on 03 August, 2017 but yet not got the license.

#### Local law and/or ETI requirement:

##### In accordance with ETI Base Code 0.B.2:

Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.

##### In accordance with Bangladesh Energy Regulatory Commission Act, 2003, Section 27 (1):

No person shall engage himself in the following business unless he is empowered by a license or exempted from having it under this Act or any other Act, such as:

- (a) Power generation;
- (b) Energy transmission;
- (c) Energy distribution and marketing;
- (d) Energy supply; and
- (e) Energy storage

#### Recommended corrective action:

It is recommended that management should ensure generator license from concerned authority.

**Action By:** Ms. AYSHA Siddika/ DGM- HR & Compliance

**Corrective Action Timeframe:** 90 Days

#### Objective evidence observed:

1. Document review and Management Interview

### Observation:

**Description of observation:**

☐ NC against ETI code: None Observed
 ☐ NC against Local Law:
 ☐ NC against customer

**Local law and/or ETI requirement**

Not Applicable

**Recommended corrective action:**

Not Applicable

**Objective evidence observed:**

Not Applicable

### Good Examples observed:

**Description of Good Example (GE):**

None Observed

**Objective evidence observed:**

Not Applicable



## 1: Freely Chosen Employment

[\(Click here to return to NC-table\)](#)

### ETI

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

**Current systems:** Written policy and procedure are in place to ensure employment is freely chosen. The policy includes the following clause:

1. The factory does not hold main copy of any legal document of the workers during recruitment. The factory maintains only copies of all hiring documents such application, ID proof, date of birth certificates, school certificates etc.

2. The workers are free to leave the work place If workers want to leave their job, they are free to do so, as long as they are fulfilled their obligations agreed under their appointment letter/agreement.

3. The facility has displayed overtime policy stating that over time work is voluntary.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

Facility Management Interview

Document review (Recruitment policy, working hour policy, workers' personal file, copy of national ID, date of birth certificates, school certificates, security guard's job description etc.)

Workers Interview

Any other comments: None

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details and category of workers affected
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected
C: Is there Any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected
D: Are there any restrictions on	<input type="checkbox"/> Yes

workers' freedom to terminate employment?	<input checked="" type="checkbox"/> No Please describe finding: There is no restriction on workers freedom to terminate employment.
E: If any part of the business is UK based / registered & turnover is 36m+ there is a requirement to publish a 'modern day slavery statement'. F: Is there a modern day slavery statement published	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: <input checked="" type="checkbox"/> Not applicable
G: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: No evidence of any restrictions on workers freedoms to leave the site at the end of the work day.
H: Does the site understand the risks of forced / trafficked / bonded labour in it's supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Not applicable If yes please give details and category of worker affected: No workers were affected.
I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: Factory had provided training awareness sessions to all employees to reduce the risk of forced / trafficked labour.

### Non-compliance:

<b>Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None Observed  <b>Local law and/or ETI requirement</b> Not Applicable  <b>Recommended corrective action:</b> Not Applicable	<b>Objective evidence observed:</b>  Not Applicable
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### Observation:

<b>Description of observation:</b> None Observed	<b>Objective evidence observed:</b>
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<b>Local law or ETI requirement:</b> Not Applicable  <b>Comments:</b> Not Applicable	Not Applicable
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Good Examples observed:	
<b>Description of Good Example (GE):</b> Not Observed	<b>Objective evidence observed:</b> Not Applicable

## 2: Freedom of Association and Right to Collective Bargaining are Respected

[\(Click here to return to NC-table\)](#)  
[\(Click here to return to Key Information\)](#)

### ETI

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:** Freedom of Association Policy" clearly states that the workers are free to join or form union of their own choice. Since the workers have not formed any union in the factory, the company has formed a Worker Participation Committee by election of workers. There is an elected Participation Committee (PC) as parallel means of trade union. Verified and confirmed through records review and interview process that the facility does not discriminate any of the workers such as workers representatives also. The factory has a policy where no restriction imposed to the workers' formation of trade unions.

### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

#### Details:

- Freedom of Association Policy review
- Facility management interview
- Worker interview
- Complain box register (Suggestions from the complaint box and actions taken)
- Participation Committee formation record review and it's meeting records review, Grievance handling policy & procedure

Any other comments: None

A: What form of worker representation/union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee –(Participation Committee): 18 worker representatives were elected on 26 May, 2016. <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Is it a legal requirement to have a	<input checked="" type="checkbox"/> Yes

worker's committee?	<input type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee) e.g. H&S, sexual harassment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: The factory management has provided complain box in the toilet area through which workers can raise their suggestion / complaints. Workers can also approach the management directly for any grievances which confirmed the interviewed workers.  Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory had elected workers' participation committee.	
F: Name of union and union representative, if applicable:	N/A: This is a non-unionized factory.	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If no union what is parallel means of consultation with workers e.g. worker committees?	Worker Participation Committee	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	All workers are aware of who their representatives
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of Election: January 26, 2018
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Workers know what topics can be raised With their representatives.
K: Were worker representatives/union representatives interviewed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please state how many: 02	
L: State any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Worker representative committee formed on election basis. Last meeting held on 19 February, 2018. Last topic of the meeting was "Discussed about roles of the PC member's Health & safety issue" Meeting minutes was posted on the notice board and communicated through committee members and meeting agenda.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
N: If <b>Yes</b> what percentage by trade Union/worker representation	<u>  0  </u> % workers covered by Union CBA	<u>  0  </u> % workers covered by worker rep CBA
O: If <b>Yes</b> , does the Collective	<input type="checkbox"/> Yes	

Bargaining Agreement (CBA) include rates of pay	<input checked="" type="checkbox"/> No
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### Non-compliance:

<b>Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None Observed  <b>Local law and/or ETI requirement:</b> Not Applicable  <b>Recommended corrective action:</b> Not Applicable	<b>Objective evidence observed:</b>  Not Applicable
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### Observation:

<b>Description of observation:</b> None Observed  <b>Local law or ETI requirement:</b> Not Applicable  <b>Comments:</b> Not Applicable	<b>Objective evidence observed:</b>  Not Applicable
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### Good Examples observed:

<b>Description of Good Example (GE):</b> None Observed	<b>Objective evidence observed:</b> Not Applicable
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### 3: Working Conditions are Safe and Hygienic

[\(Click here to return to NC-table\)](#)

[\(Click here to return to Key Information\)](#)

#### ETI

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

#### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:** The company has defined a detail policy for health and safety. During site tour it was noted that workplace is neat, clean & tidy, working environment with respect to ventilation and lighting of the factory is acceptable. The company has provided training on health, safety and hygiene. They also provided orientation training for the new workers and repeated training for the reassigned workers. Records of all kinds of in-house training provided and interviewed workers confirm that training on health & safety provided to the new and existing workers Ms. AYSHA Siddika/ DGM- HR & Compliance to look after the health and safety issues. Adequate toilet facilities provided and segregated as per gender. Potable water was freely available in all areas. There were at least 04 emergency exits from each work area and these were clearly marked and kept open. Fire fighting equipment was adequate and checks were up-to-date. Evacuation plans were posted in all areas in local language. Fire drills were organized and recorded of every two month. There were adequate first aid kits in each production area and they were well stocked.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

- Health and safety policy
- Health and safety committee meeting minutes
- Training records and certificates
- Fire drill records
- Government licenses
- Building structure safety certificate
- Trained first aider register
- Accident reports
- Health certificates for kitchen staff
- Chemical list and MSDS for each chemical
- Potable water testing certificates
- Factory lay-out plan
- Maintenance records

Risk assessment records  
On-site observation  
Workers interview  
Management interview

<p>A: Does the facility have general Health &amp; Safety and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: The factory has Health &amp; safety policy and occupational safety polices and procedure. They have health and safety committee and conducted periodically training on health and safety. Last health &amp; safety training conducted on 13 March 2018.</p>
<p>B: Are the policies included in worker's manual?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: Policies are included in workers manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Details: No additional additions without approval from the facility inspection observed during review.</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: The factory has a procedure to inform visitors about factory's health and safety policy with providing with appropriate PPE.</p>
<p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: The company medical room complies the legal requirement.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: There is 01 doctor, 02 Medical assistant and 01 nurses.</p>
<p>G: Where facility provides worker transport - it is fit for purpose, safe and maintained and operated by competent persons e.g. buses and</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Details: Factory does not provide any transport facility to their Workers.</p>

other vehicles	
H: Secure personal storage space is provided for workers in their living space and is fit for purpose	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: Factory did not provide living space to the workers.
I: H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and there are controls to reduce identified risk	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: H&S Risk assessment are conducted on regular basis by the H&S committee.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The factory had conducted Environment impact assessment (EIA) by External testing company.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: The site is complaint with the customer requirement in term of environment and factory does not use any banned chemicals.

### Non-compliance:

#### 1. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

It was noted through document review and management interview that factory management did not appoint a trained fire officer for monitoring fire safety equipment and internal training for their fire fighters and fire rescuers.

#### Local law and/or ETI requirement

**In accordance with ETI Base Code 3.1:** A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

And

#### **In accordance with Bangladesh Labor rules 2015, Section – 55 (Subsection-12):**

A trained officer shall be recruited in the factory/institute where at least 500 workers are employed. The duties of the officer shall be ensuring the preservation and maintenance of all fire-fighting equipments and keeping them fit and arranging trainings for the three teams mentioned in Sub-section 10 after every six-month period.

#### Recommended corrective action:

It is recommended that facility management shall appoint a trained fire officer for monitoring fire equipment and internal fire training.

#### Objective evidence observed:

1. Document review and Management interview

**Action By:** Ms. AYSHA Siddika/ DGM- HR & Compliance

**Corrective Action Time frame:** 60 Days

## 2. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

It was noted through facility tour and management interview that approximately 70% firefighters and fire rescuer were not wearing the specific dress.

### Local law and/or ETI requirement

**In accordance with ETI Base Code 3.1:** A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

And

### **In accordance with Bangladesh labour Rules 2015, Section 55 (Subsection-10 & 11):**

(10) If possible, all workers or at least 18% of the workers employed in each department have to be trained on fire-fighting, emergency rescue operation, first aid and the usage of portable fire-repellant instruments. And the security has to be ensured by dividing the trained workers into fire-fighting team, rescue team and first aid team (6% members in each team) and the records related herewith have to be preserved in accordance with Form- 22.

11) The members of fire fighting team, rescue team and first aid team must wear the prescribed uniform while conducting their respective operations and the dress code shall be as follows:

- a) Fire fighting team: Yellow colored apron, in rear of which 'FIRE' shall be written in red color.
- b) Rescue team: Yellow colored apron, in rear of which 'RESCUE' shall be written in red color.
- c) First aid team: White colored apron, in rear of which 'FIRST AID' shall be written in red color.

### Recommended corrective action:

It is recommended that management should provide specific dress code for their firefighter and fire rescuer.

**Action By:** Ms. AYSHA Siddika/ DGM- HR & Compliance

**Corrective Action Time frame:** 30 Days

## 3. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

It was noted through facility tour, management interview and worker interview that the factory did not provide canteen facility for the workers.

### Local law and/or ETI requirement

**In accordance with ETI Base Code 3.1:** A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and

2. Facility tour and management interview

3. Facility tour, management interview

of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

And

**In accordance with Bangladesh Labor Law 2006, Section – 92 (Subsection-01):**

In every establishment wherein more than one hundred workers are ordinarily employed, there shall be provided adequate number of canteens for the use of the workers.

**Recommended corrective action:**

It is recommended that facility management shall provide canteen facility for the workers.

**Action By:** Ms. AYSHA Siddika/ DGM- HR & Compliance

**Corrective Action Time frame:** 30 Days

**4. Description of non-compliance:**

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

It was noted through facility tour, management & workers interview that facility did not provide dining facility to the workers.

**Local law and/or ETI requirement**

**In accordance with ETI Base Code 3.1:** A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

And

**In accordance with Bangladesh labor Law 2006, Section- 93 (Subsection- 01):**

In every establishment wherein more than fifty 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 the workers.

Provided that any canteen maintained in accordance with the provisions of section 92 shall be regarded as part of the requirements of this sub-section:

Provided further that where a lunch room exist, no worker shall eat any food in the work room.

**Recommended corrective action:**

It is recommended that facility management shall provide the dining facility to the workers into the facility.

**Action By:** Ms. AYSHA Siddika/ DGM- HR & Compliance

**Corrective Action Time frame:** 60 Days

**5. Description of non-compliance:**

and worker interview

4. Facility tour and Worker & Management interview

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

It was noted through Facility tour, management interview and worker interview that approximately 40% belt cover was missing with auto placket machines at 7<sup>th</sup> floor.

**Local law and/or ETI requirement**  
**In accordance with ETI Base Code:**

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

**And**

**In accordance with Bangladesh Labor Law 2006, Section 63 (Subsection- 01):**

In every establishment the following shall be securely fenced by the safeguards of substantial construction which shall be kept in position while the part of machinery required to be fenced are in mention or in use, namely-

(a) every moving part of a prime mover, and every fly wheel connected to a prime mover;

(b) the head-race and tail-race of every water wheel and water turbine;

(c) any part of a stock-bar which projects beyond the head stock of a lathe; and

(d) unless they are in such position or of such construction as to be as safe to every person employed in the establishment as they would be if they were securely fenced-

(i) every part of an electric generator,- a motor or rotary converter,

(ii) every part of transmission machinery, and

(iii) every dangerous part of any machinery:

Provided that, for the purpose of determining whether any part of machinery is safe as aforesaid, account shall not be taken of any occasion when it being necessary to make an examination of the machinery while it is in motion, such examination or operation is made or carried in accordance with the provisions of section 64.

**Recommended corrective action:**

It is recommended that facility management shall ensure all the machines are properly guarded.

**Action By:** Ms. AYSHA Siddika/ DGM- HR & Compliance

**Corrective Action Time frame:** 60 Days

**6. Description of non-compliance:**

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

It was noted through facility tour, management interview and worker interview that approximately 15% Jacquard machines operators and 10% winding machine operators were not using ear plug during work.

**Local law and/or ETI requirement**

5. Facility tour, management interview and worker interview  
**(NC Photo No-01)**

6. Facility tour,

### In accordance with ETI Base Code:

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

### And

### In accordance with Bangladesh Labor Rules-2015, Section 67 (Subsection- 1& 02):

1) Safety measures and health safety must be arranged in accordance with the directions of this Rule or the regulations of the concerned govt. department for the workers who are employed in the procedures of manufacturing processes that have high risks of physical injury or loss.

2) In addition to the arrangement of safety and health protection measures mentioned in Sub-section (1), the concerned manufacturing institute must provide necessary equipments, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage.

### **Recommended corrective action:**

It is recommended that management shall ensure all the workers are using appropriate PPE.

**Action By:** Ms. AYSHA Siddika/ DGM- HR & Compliance

**Corrective Action Time frame:** 30 Days

### **7. Description of non-compliance:**

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:

It was noted through facility tour and management interview that aisle mark found partially blocked by machines in 6th floor at jacquard section.

### **Local law and/or ETI requirement**

**In accordance with ETI Base Code 3.1:** A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

### **In accordance with Bangladesh Labour Law, 2006, Section-72(Subsection- c):**

all floors, ways and stairways shall be clean, wide and clear of all obstructions.

### **Recommended corrective action:**

It is recommended that management should ensure all escape route & pathway free from any kind of blockage.

**Action By:** Ms. AYSHA Siddika/ DGM- HR & Compliance

**Corrective Action Time frame:** 30 Days

management interview  
and worker interview  
(NC Photo No-02 & 03)

7. Facility tour and  
management interview  
(NC Photo No-04)



### Observation:

**Description of observation:**

None Observed

**Local law or ETI requirement:**

None Observed

**Recommended corrective action:**

None Observed

None Observed

### Good Examples observed:

**Description of Good Example (GE):**

None Observed

**Objective Evidence Observed:**

None Observed



#### 4: Child Labour Shall Not Be Used

[\(Click here to return to NC-table\)](#)  
[\(Click here to return to Key Information\)](#)

##### ETI

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

#### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:** Company has well defined policy for child labour conforming local law and ILO standards which describes not to engage underage workers. During the audit no child or young worker has been identified or suspected. Factory checks the age of the potential worker before recruitment through the age proof records and cross check by the registered doctor. National ID, Birth registration, national level examination certificate etc. are taken as age record. Company verifies National ID online at website of government issuing authority. Management maintains age related documents in the workers' personnel files. From the establishment of the company no child labour found or recorded. Nothing reported about historical child labour by the interviewed workers.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Child labour policy review  
 Recruitment policy review  
 Document review  
 Management interview  
 Worker interview  
 On-site observation during floor visit

A: Legal age of employment	Above 14 years (Limited hours work)
B: Age of youngest worker found:	Above 20 years (the worker was born on 9 January 1998 and joined in the facility on 8 November 2016)
C: Children present on workfloor but not working at time of audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0%: No workers below 18 years appointed by factory
E: Workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Y give details

### Non-compliance:

**Description of non-compliance:**

☐ NC against ETI
 ☐ NC against Local Law
 ☐ NC against customer code:
 None Observed

**Local law and/or ETI requirement:**

Not Applicable

**Recommended corrective action:**

Not Applicable

**Objective evidence observed:**

Not Applicable

### Observation:

**Description of observation:**

None Observed

**Local law or ETI requirement:**

Not Applicable

**Comments:**

Not Applicable

**Objective evidence observed:**

Not Applicable

### Good Examples observed:

**Description of Good Example (GE):**

None Observed

**Objective Evidence Observed:**

Not Applicable

### 5: Living Wages are Paid

[\(Click here to return to NC-table\)](#)

[\(Click here to return to Key information\)](#)

#### ETI

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

#### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:** The factory management provides appointment letter to all workers during recruitment mentioning their salary structure, employment conditions, working hours etc. The workers are enjoying benefits such as social insurance, casual leave, sick leave, maternity leave facility as per law. There is no illegal deduction from employees has been identified through document reviewed and confirmed workers during the interview. Facility management provides cash directly to the workers. Moreover, facility provides pay slip to all workers at each month (in local language).

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

Document review (wage sheet review, worker's personal file, bonus payment sheet review, pay slip, maternity register review, and wage & benefit policy etc.)

Worker interview

Management interview

#### Non-compliance:

##### Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code:  
None Observed

##### Local law and/or ETI requirement:

Not Applicable

##### Recommended corrective action:

Not Applicable

##### Objective evidence observed:

Not Applicable

Observation:	
<b>Description of observation:</b> None Observed  <b>Local law or ETI requirement:</b> Not Applicable  <b>Comments:</b> Not Applicable	<b>Objective evidence observed:</b>  Not Applicable

Good Examples observed:	
<b>Description of Good Example (GE):</b>  1. The factory has provided attendance bonus BDT. 300 for all workers and Production bonus provided for all piece rate workers.  2. The factory management organized annual picnic for all employees.  3. The factory management provided free monthly food allowance for all pregnant workers and new mother.	<b>Objective Evidence Observed:</b>  1. Payroll record review and worker interview  2. Management interview and Workers interview  3. Management interview and Workers interview

## Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	<b>Legal maximum:</b> 08 hours per day 48 hours per week 208 hours per month	<b>Site minimum:</b> 08 hours per day 48 hours per week 208 hours per month	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	<b>Legal maximum:</b> 2 hour/ day and 12 hour/ week 52 hour/ month	<b>Site minimum:</b> 02 hours per day 12 hours per week 52 hour/ month	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	<b>Legal minimum:</b> Grade-1: 13000 BDT/Month Grade-2: 10900 BDT/Month Grade-3: 6805 BDT/Month Grade-4: 6420 BDT/Month	<b>Site minimum:</b> Grade-1: 13000 BDT/Month Grade-2: 10900 BDT/Month Grade-3: 6805 BDT/Month Grade-4: 6420 BDT/Month	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	Grade-5: 6042 BDT/Month Grade-6: 5678 BDT/Month Grade-7: 5300 BDT/Month Trainee / Apprentice: 4180 BDT/Month	Grade-5: 6042 BDT/Month Grade-6: 5678 BDT/Month Grade-7: 5300 BDT/Month Trainee / Apprentice: 4180 BDT/Month	
E: overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	<b>Legal minimum:</b> 200% of basic wage	<b>Site minimum:</b> 200% of basic wage	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: <a href="#">(Click here to return to Key Information)</a>																																																										
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																																																									
B: If <b>No</b> , why not?	Not Applicable																																																									
C: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	62 samples for the month of May– 2017 (Randomly selected month) 62 samples for the month of December – 2017 (Randomly selected month) 62 samples for the month of February – 2018 (Current month)																																																									
D: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>If <b>Yes</b>, please give details:          The Government has announced the new pay structure, which was implemented from 1st December 2013 for the workers of the Garments Industries. The Gazette Notification has been published on 5th December, 2013. There are two separate pay structures; for the garment workers (Schedule A) 1. For the workers (Schedule A):</p> <table border="1"> <thead> <tr> <th>Grade</th> <th>Monthly basic wage</th> <th>House rent 40% of the basic</th> <th>Medical allowance</th> <th>Conveyance allowance</th> <th>Food subsidy</th> <th>Gross monthly wage</th> </tr> </thead> <tbody> <tr> <td>Grade 1</td> <td>Tk. 8500</td> <td>Tk. 3400</td> <td>Tk.250</td> <td>Tk.200</td> <td>Tk.650</td> <td>Tk. 13000</td> </tr> <tr> <td>Grade 2</td> <td>Tk. 7000</td> <td>Tk. 2800</td> <td>Tk.250</td> <td>Tk.200</td> <td>Tk.650</td> <td>Tk. 10900</td> </tr> <tr> <td>Grade 3</td> <td>Tk. 4075</td> <td>Tk. 1630</td> <td>Tk.250</td> <td>Tk.200</td> <td>Tk.650</td> <td>Tk. 6805</td> </tr> <tr> <td>Grade 4</td> <td>Tk. 3800</td> <td>Tk. 1420</td> <td>Tk.250</td> <td>Tk.200</td> <td>Tk.650</td> <td>Tk. 6420</td> </tr> <tr> <td>Grade 5</td> <td>Tk. 3530</td> <td>Tk. 1412</td> <td>Tk.250</td> <td>Tk.200</td> <td>Tk.650</td> <td>Tk. 6042</td> </tr> <tr> <td>Grade 6</td> <td>Tk. 3270</td> <td>Tk. 1308</td> <td>Tk.250</td> <td>Tk.200</td> <td>Tk.650</td> <td>Tk. 5678</td> </tr> <tr> <td>Grade 7</td> <td>Tk. 3000</td> <td>Tk. 1200</td> <td>Tk.250</td> <td>Tk.200</td> <td>Tk.650</td> <td>Tk. 5300</td> </tr> </tbody> </table>	Grade	Monthly basic wage	House rent 40% of the basic	Medical allowance	Conveyance allowance	Food subsidy	Gross monthly wage	Grade 1	Tk. 8500	Tk. 3400	Tk.250	Tk.200	Tk.650	Tk. 13000	Grade 2	Tk. 7000	Tk. 2800	Tk.250	Tk.200	Tk.650	Tk. 10900	Grade 3	Tk. 4075	Tk. 1630	Tk.250	Tk.200	Tk.650	Tk. 6805	Grade 4	Tk. 3800	Tk. 1420	Tk.250	Tk.200	Tk.650	Tk. 6420	Grade 5	Tk. 3530	Tk. 1412	Tk.250	Tk.200	Tk.650	Tk. 6042	Grade 6	Tk. 3270	Tk. 1308	Tk.250	Tk.200	Tk.650	Tk. 5678	Grade 7	Tk. 3000	Tk. 1200	Tk.250	Tk.200	Tk.650	Tk. 5300
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E: If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	If <b>No</b> , please give details: N/A																																										
F: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<p>Lowest Wages found:  <i>Note: full time employees and please state hour / week / month etc</i></p> <p>5300 BDT/ Month.</p>	<p>Please indicate the breakdown of workforce per earnings:</p> <p>The actual lowest minimum wage in the facility was BDT. 5300 per month. Which is government declare legal minimum wage.</p>																																										
	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	<p>_0_ % of workforce earning under min wage          _15_ % of workforce earning min wage          _85_ % of workforce earning above min wage</p>																																										
G: Bonus (amount specify)	<p>Bonus Scheme found:</p> <ol style="list-style-type: none"> <li>Two festival bonus equivalents to one basic during Eid Ul Fitr, and Eid Ul Azha.</li> <li>The factory has provided attendance bonus BDT. 300 for all workers and Production bonus provided for all piece rate workers.</li> </ol>																																											
H: What deductions are required by law e.g. social insurance? Please state all types:	<p>As per section 125 of the Bangladesh Labour Law, 2006, factory may deduct wages for un-authorized absence, for fines, housing facility, advance payments, loans, income tax, provident fund, etc. However, factory is deducting only for un-authorized absence and revenue stamp.</p>																																											

I: Have these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, please describe: Absent deduction in case of worker is absent as per law
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Poor record keeping  <input type="checkbox"/> Isolated incident  <input type="checkbox"/> Repeated occurrence:                 </div> </div>
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Factory had provided accurate and complete payroll & attendance record to the auditors for review where all working hour were recorded.
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered Yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time: Factory did not define living wages as it is not required by law. However, factory is providing the minimum wage as Minimum Wages Gazette for Readymade Garments Sector published on December 5, 2013".
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: Not Applicable
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: N/A

O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Through factory policy review, payroll records review and employee's interview, it is confirmed that equal rates are being paid for equal work.
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:



## 6: Working Hours are not Excessive

[\(Click here to return to NC-table\)](#)

[\(Click here to return to Key Information\)](#)

### ETI

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where **all** of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

## Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

### Current systems:

1. Factory's working hours found within legal limit.
2. Standard working hours found 48 hours in the factory without 2 hours OT work.
3. Through employees' interview it was noted that they were aware about voluntary overtime policy.
4. As per the company policy all overtime will be compensated at a premium rate (200%).
5. Factory ensured one day off in every 07 day period (Friday is off day).

### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Working hour policy  
Working hour notice  
Time records.  
Payroll Sheets & Overtime Payment Records.

Production records  
Warehouse records No holiday or rest day work found during the verification of documents.

### Non-compliance:

#### Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code:  
None Observed

#### Local law and/or ETI requirement:

Not Applicable

#### Recommended corrective action:

Not Applicable

#### Objective evidence observed:

Not Applicable

### Observation:

#### Description of observation:

Not Observed

#### Local law or ETI requirement:

Not Applicable

#### Comments:

Not Applicable

#### Objective evidence observed:

Not Applicable

### Good Examples observed:

Description of Good Example (GE):  
None Observed

#### Objective Evidence Observed:

Not Applicable

### Working hours' analysis

Please include time e.g. hour/week/month  
[\(Go back to Key information\)](#)

#### Systems & Processes

A. What timekeeping systems are used:  
time card etc.

Describe: Attendance and work timings (including OT) record was maintained by Punched time recording system.

B: Is sample size same as in wages section

☒ Yes  
☐ No  
If N, please give details N/A

C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Details		
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please complete as appropriate:		
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs
		<input type="checkbox"/> Other		
		If "Other", Please define:		
		Not Applicable		
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Y please %detail hours, %and types of workers &affected and frequency  Details: Not Applicable		
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:		Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	Maximum number of days worked without a day off (in sample):			
	Workers are getting 1 day off in every 7 day period.			
<b>Standard/Contracted Hours worked</b>				
G: Standard working hours over 48 per week found	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency		
		Not Applicable		
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please give details		

Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 12 hour/ week	52 hours month in May, 2017 (Randomly selected month) 50 hours month in December, 2017 (Randomly selected month) 28 hours month in February, 2018 (Current month)  12 hours week in May, 2017 (Randomly selected month) 10 hours week in December, 2017 (Randomly selected month) 06 hours week in February, 2018 (Current month)  2 hours per day in May, 2017 (Randomly selected month) 2 hours per day in in December, 2017 (Randomly selected month) 1 hours per day in in February, 2018 (Current month)
J: Combined hours (standard/contracted plus= total) 60 found?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours	___ 10 ___%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	<i>Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements: All employees found working voluntarily during audit in the factory</i>
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	<i>Please give details of normal day overtime premium as a % of <b>standard</b> wages:</i>
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>If yes, please describe % of workers &amp; frequency: 200% of Basic Wages.</i>
O: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium and this is allowed	<input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other  All workers are paid 200% of basic salary for each hour overtime work which is as per local law.	

<p>under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.</p>	<p>Please explain any checked boxes above e.g. detail of consolidated pay CBA or Other</p> <p>Not Applicable</p>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.</p>	<p><input checked="" type="checkbox"/> <b>Overtime is voluntary</b>  <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week  <input type="checkbox"/> Safeguards are in place to protect worker's health and safety  <input type="checkbox"/> Site can demonstrate exceptional circumstances  <input type="checkbox"/> Other reasons (please specify)</p> <p>Please explain any checked boxes above</p> <p>Overtime is voluntary. Worker can leave facility after their regular working time is finished. This is confirmed by worker contract, working hour policy and by the worker interview.</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No          If yes, please describe</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>

## 7: No Discrimination is Practiced

[\(Click here to return to NC-table\)](#)

### ETI

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

#### Current systems:

1. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement.
2. The factory provides the same pay to male/female employees.
3. No complain or records found for pregnancy test.
4. There is no restriction formation of trade union in the factory.

#### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

##### Details:

Management interview  
Worker interview  
Local and national law  
Personal files  
Compensation records  
Termination & retirement records  
Training records  
Complain register

Any other comments: None

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: _70___ % Female_30___ %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst	#: No such requirement observed.
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement

	No discrimination found
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Professional Development	
A: What type of training and development are available for workers?	Please give details: Different types of machine operation. Training and quality assurance.

B: Are HR decisions on e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details: Not Applicable
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#### Non-compliance:

<b>Description of non-compliance:</b> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None Observed  <b>Local law and/or ETI requirement:</b> Not Applicable  <b>Recommended corrective action:</b> Not Applicable	<b>Objective evidence observed:</b>  Not Applicable
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#### Observation:

<b>Description of observation:</b> None Observed  <b>Local law or ETI requirement:</b> Not Applicable  <b>Comments:</b> Not Applicable	<b>Objective evidence observed:</b>  Not Applicable
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#### Good Examples observed:

<b>Description of Good Example (GE):</b> None Observed	<b>Objective Evidence Observed:</b>  Not Applicable
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## 8: Regular Employment Is Provided

[\(Click here to return to NC-table\)](#)

[\(Click here to return to Key Information\)](#)

### ETI

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

### Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

## Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

### Current systems:

1. All workers are getting ID card during their recruitment.
2. Factory maintains service books for all workers.
3. There is no subcontracting or home working from the site.
4. All workers are getting contract letter.

### Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Document review - Hiring Policy, Worker's Service Book, Personnel files, ID cards/Appointment letter, and Social security documents.

Worker interview

Management interview

Local and national law

Wage sheets



### Non-compliance:

**Description of non-compliance:**

☐ NC against ETI
 ☐ NC against Local Law
 ☐ NC against customer code:
 None Observed

**Local law and/or ETI requirement:**

Not Applicable

**Recommended corrective action:**

Not Applicable

**Objective evidence observed:**

Not Applicable

### Observation:

**Description of observation:**

Not Observed

**Local law or ETI requirement:**

Not Applicable

**Comments:**

Not Applicable

**Objective evidence observed:**

Not Applicable

### Good Examples observed:

**Description of Good Example (GE):**

None Observed

**Objective Evidence Observed:**

Not Applicable

## Responsible Recruitment

### All Workers

A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?

- ☒ Terms & Conditions presented  
☒ Understood by workers  
☒ Same as actual conditions

If any are unchecked, please describe finding and specific category (ies) of workers affected:

B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?

- ☐ Yes  
☒ No

If Yes Please describe details and specific category (ies) of workers affected

C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other Not Applicable
C: If any checked, give details:	Not Applicable

### Migrant Workers:

The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity

A: Type of work undertaken by migrant workers:	N/A; No migrant workers employed by the factory.	
B: Migrant worker recruitment	Total number of (in country recruitment agencies) used: No Total number of (outside of local country) recruitment agencies used: No	
C: Migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and evidence of transaction is supplied by the facility to the worker.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: No migrant workers employed by the factory	Observations: Not Applicable
D: Are Any migrant workers in skilled, technical, or management roles  <b>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes number and example of roles: Not Applicable	

## NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees	<input type="checkbox"/> Yes <input type="checkbox"/> No N/A. There is no Non- employee worker
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other Not Applicable
C: If any checked, give details:	Not Applicable

Agency Workers (if applicable) <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	And names if available: No agency worker observed.
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable  Details: No agencies workers employed by the factory.

<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  Not Applicable  Please describe: No agencies workers employed by the factory.</p>
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<p align="center"><b>Contractors:</b></p> <p><i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i></p>	
<p>A: Any contractors on site?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  Please describe finding: If Y, how many contractors are present</p>
<p>B: If <b>Yes</b>, how many workers supplied by contractors</p>	<p>Not Applicable</p>
<p>C: Do all contractor workers understand their terms of employment?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  Please describe finding: No contract workers employed in the factory.</p>
<p>D: If <b>Yes</b>, please give evidence for contractor workers being paid per law:</p>	<p>Not Applicable</p>

### 8A: Sub-Contracting and Homeworking

[\(Click here to return to NC-table\)](#)  
[\(Click here to return to Key Information\)](#)

8A.1 There should be no sub-contracting unless previously agreed with the main client.

8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

*Note to auditor on homeworking:*

*Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.*

*Note to auditor on subcontracting : auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers*

### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:** It was verified through document review, factory tour, management interview and employee interview that no sub-contracting & Home-working was used by this factory.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Management interview  
 Worker interview  
 Production process of the factory  
 Policies and procedures

**If any processes are sub-contracted – please populate below boxes**

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		

Process Subcontracted	Process 3	Process 4
Name of factory		
Address		

Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Details: Not Applicable

### Non-compliance:

**Description of non-compliance:**
☐ NC against ETI/Additional Elements ☐ NC against Local Law

☐ NC against customer code:

None Observed

**Local law and/or ETI /Additional Elements requirement:**

Not Applicable

**Recommended corrective action:**

Not Applicable

**Objective evidence observed:**

Not Applicable

### Observation:

**Description of observation:**

None Observed

**Local law or ETI/Additional elements requirement:**

Not Applicable

**Comments:**

Not Applicable

**Objective evidence observed:**

Not Applicable

### Good Examples observed:

**Description of Good Example (GE):**

None Observed

**Objective Evidence Observed:**

Not Applicable

### Summary of sub-contracting – if applicable

☒ Not Applicable please x

A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours or undeclared sub-contracting

☐ Yes

☐ No

Please describe: Not Applicable, Facility has their own production planning depending upon their machine and manpower.

B: If sub-contractors are used, is there evidence this has been agreed with the main client?

☐ Yes

☐ No

Not Applicable

If **Yes**, summarise details:

C: Number of sub-contractors/agents used

Not Applicable

D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details: Not Applicable
E: What checks are in place to ensure no child labour is being used and work is safe?	Not Applicable

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable If <b>Yes</b> , summarise details:		
B: Number of homeworkers	Male: Not Applicable	Female: Not Applicable	Total: Not Applicable
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents Not Applicable		
D: If through agents, number of agents	Not Applicable		
E: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable		
F: How does site ensure worker hours and pay meet local laws for homeworkers?	Not Applicable		
G: What processes are carried out by homeworkers?	Not Applicable		
H: Do any contracts exist for homeworkers	<input type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Not Applicable		
I: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable		

## 9: No Harsh or Inhumane Treatment is Allowed

[\(Click here to return to NC-table\)](#)

### ETI

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Additional elements:

9.2 companies should provide access to a confidential grievance mechanism for all workers

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 <sup>rd</sup> party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Facility has provided complain or suggestion box at the toilet area where worker can submit their complaint or suggestion in the confidential manner. Also the facility has worker representative committee through which worker can raise their voice to the senior management.
B: If <b>Yes</b> , are workers aware of these channels and have access? Please give details.	During interview workers found aware about the complaint channels.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box and welfare officer
D: Is there a grievance mechanism is place for:	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other Details: All worker were aware of these processes, Suggestion box was known by the workers. Also workers can share their Problem with welfare officer, drop their complaints into Suggestion box and even go to the management. Moreover, factory has a system to open Suggestion box in every week.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details
F: Does grievance mechanism meet with UNGP requirement of e.g. (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
G: Does the site \ encourage its business partners (e.g., suppliers) provide individuals and communities with access to effective grievance mechanisms (e.g.,	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No Please give details



help lines or whistle blowing mechanism	
H: Is there a published and transparent disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No please explain
I: If yes, are workers aware of these the disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no please give details
J: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes please give details: Absent deduction in case of worker in absent as per low.

### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:** There were no apparent or reported concerns regarding harsh or inhumane treatment at the facility. All interviewed employees reported receiving fair and respectful treatment. The HR department is responsible for oversight of these code elements.

The facility established anti-harsh or inhumane treatment policy. The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Through the facility management and workers' interview, it was noted that no physical abuse or discipline happened in the facility and the disciplinary procedure of the facility is verbal warning and education. There appears to be no concerns in this area during the assessment.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

- Anti-harassment policy
- Threats and violence policy and procedures
- Facility's and company's code of conduct
- Disciplinary action documentation in employee personnel profiles.
- Workers Participation Committee meeting minutes.
- Compliant box register

### Non-compliance:

**Description of non-compliance:**
☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code:

None Observed

**Local law and/or ETI requirement:**

Not Applicable

**Recommended corrective action:**

Not Applicable

**Objective evidence observed:**

Not Applicable

### Observation:

**Description of observation:**

None Observed

**Local law or ETI requirement:**

Not Applicable

**Comments:**

Not Applicable

**Objective evidence observed:**

Not Applicable

### Good Examples observed:

**Description of Good Example (GE):**

None Observed

**Objective Evidence Observed:**

Not Applicable

## 10. Other Issue areas: 10A: Entitlement to Work and Immigration

[\(Click here to return to NC-table\)](#)

### Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

**Current systems:** Workers with a legal right to work is employed or used by the facility. There are no agency staffs, employment agencies and immigration workers in the facility. There appears to be no concerns in this area during the assessment.

No foreign nationals appeared to be employed onsite. All 62 employees in the sample were documented. The facility management reported verifying the original documentation and keep copy of original documents.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details:

- Facility tour
- Document review- Policy
- Worker interview
- Management interview
- Employee-signed wage and job description letters
- identification photocopies of employment document

### Non-compliance:

#### Description of non-compliance:

☐ NC against ETI/Additional Elements ☐ NC against Local Law  
☐ NC against customer code:  
 None Observed

#### Local law and/or ETI /Additional Elements requirement:

Not Applicable

#### Recommended corrective action:

Not Applicable

#### Objective evidence observed:

Not Applicable

### Observation:

**Description of observation:**

None Observed

**Local law or ETI/Additional Elements requirement:**

Not Applicable

**Comments:**

Not Applicable

**Objective evidence observed:**

Not Applicable

### Good examples observed:

**Description of Good Example (GE):**

None Observed

**Objective Evidence Observed:**

Not Applicable

## 10. Other issue areas 10B4: Environment 4-Pillar

[\(Click here to return to NC-table\)](#)

To be completed for a 4-Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

### B.4. Compliance Requirements

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.

### B4. Guidance for Observations

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

*Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)*

## Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:** There are site policies and procedures concerning environmental issues to do these comparing with requirements of local laws and regulations. The facility management is aware about environmental requirements and has system in place to be to ensure the requirements are fulfilled.

The site has environment clearance certificate no 22.02.3300.138.72.223.14/char-79. Factory had conduct EIA by external laboratory. Factory had a trained member Mr. Akter Ali, Ass. Manager- HR & Compliance who looks after environment activities in the factory.

The site has measured its impacts including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use. The facility management developed a policy covering Environmental requirements and for implementation and management of environmental performance. As per management statement the factory has not been subject to any fine for noncompliance to environmental regulations.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**
**Details:**

Environmental clearance certificate  
 Environmental policy and procedure review.  
 Management interview  
 Worker Interview  
 Wastages containers checking.  
 Chemical handling procedure checked  
 Energy resources checked  
 Training Record  
 Facility tour

**Non-compliance:**
**Description of non-compliance:**
☐ NC against ETI/Additional Elements

☐ NC against Local Law

None Observed

**Objective evidence observed:**

Not Applicable

**Local law and/or ETI/Additional Elements requirement:**

Not Applicable

**Recommended corrective action:**

Not Applicable

**Observation:**
**Description of observation:**

None Observed

**Objective evidence observed:**

Not Applicable

**Local law or ETI/additional elements requirement:**

Not Applicable

**Comments:**

Not Applicable

**Good examples observed:**
**Description of Good Example (GE):**

None Observed

**Objective Evidence Observed:**

Not Applicable

<b>Environmental Analysis</b> <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Responsible for Environmental issues (Name and Position):	Mr. Akter Ali, Ass. Manager- HR & Compliance
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory had conducted risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risk.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: The factory had no recognised environmental system certification.
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it publicly available? Environment policy publicly available for all management person and workers.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Factory had environmental policy.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: Factory had no sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.
H: Have all legally required permits been shown? Please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory has no environment clearance certificate.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Details: Factory management has the list of chemicals used in the manufacturing process.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Factory had permit from concern authority for chemical use.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: Facility has no any reduction targets in place for environmental aspect.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: Facility had a wastage agreement. Whose

	recycle wastage reject, fabrics, paper, carton, empty chemical drum etc, to take to all wastage from factory.	
M: Facility has a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Water consumption: 7161 Cubic meter/ month Gas consumption: 44814 Cubic meter/ month Electricity: 270090 kwh/ month	
N: Facility has checked that any Sub-Contracting agencies or business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the facility	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: Site has no any sub-contracting agencies.	
<b>Usage/Discharge analysis</b>		
Criteria	Current year: Please state period: January, 2018 to March, 2018.	Previous Year: Please state period: January 2017 to December 2017
Electricity Usage: Kw/hrs	810270/ Kwh	2976041/ Kwh
Renewable Energy Usage: Kw/hrs	No	No
Gas Usage: Kw/hrs	134442/ m3	441160/ m3
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If <b>Yes</b> , please state result	Not Applicable	Not Applicable
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> <li>Deep Tube well (Submersible Pump)</li> </ul>	<ul style="list-style-type: none"> <li>Deep Tube well (Submersible Pump)</li> </ul>
Water Volume Used: (m <sup>3</sup> )	21483/ m3	77927/ m3
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> <li>Through ETP</li> </ul>	<ul style="list-style-type: none"> <li>Through ETP</li> </ul>
Water Volume Discharged: (m <sup>3</sup> )	17420/ m3	56820/ m3
Water Volume Recycled: (m <sup>3</sup> )	Not Recycled	Not Recycled
Total waste Produced (please state units)	2700 KG Monthly	2850 KG Monthly



Total hazardous waste Produced: (please state units)	130 KG Monthly	135 KG Monthly
Waste to Recycling: (please state units)	Not Recycled	Not Recycled
Waste to Landfill: (please state units)	No waste used for landfill	No waste used for landfill
Waste to other: (please give details and state units)	2570 KG Monthly	2715 KG Monthly
Total Product Produced (please state units)	425000 Pcs/ Monthly	400000 Pcs/ Monthly

### 10C: Business Ethics– 4-Pillar Audit

[\(Click here to return to NC-table\)](#)

To be completed for a 4-Pillar SMETA Audit

#### 10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

#### 10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers. .

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

#### Current Systems and Evidence Examined

*To complete 'current systems' Auditorsexaminepoliciesandwrittenproceduresinconjuction withrelevantmanagers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:** The factory management has developed and communicated Business ethics policy concerning bribery, corruption and unethical business practice Mr. Akter Ali, Ass. Manager- HR & Compliance is responsible for business ethics practice.

**Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**

Details: The factory management has developed a transparent system for confidentially reporting and dealing with unethical Business Ethics without fear of reprisals towards the reporter including responsibility about the staff of sales, purchasing, logistics etc.

### Non-compliance:

**Description of non-compliance:**
☐ NC against ETI/Additional Elements

☐ NC against customer code:

None Observed

☐ NC against Local

**Objective evidence observed:**

Not Applicable

**Local law and/or ETI/Additional Elements requirement:**

Not Applicable

**Recommended corrective action:**

Not Applicable

### Observation:

**Description of observation:**

None Observed

**Objective evidence observed:**

Not Applicable

**Local law or ETI/additional elements requirement:**

Not Applicable

**Comments:**

Not Applicable

### Good examples observed:

**Description of Good Example (GE):**

None Observed

**Objective Evidence Observed:**

Not Applicable

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers  Please give details: Facility has a Business Ethics Policy and is the policy communicated with all appropriate parties.
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues	Factory provided a business ethics training for all sales and logistics person and supplier.
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Business Ethics Policy updated periodically.
D: Does the site require third parties including suppliers to complete their own business ethics training	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: Factory has a Business Ethics Policy and the policy is communicated and applied internal and shared with their business supplier.

### Other Findings Outside the Scope of the Code

Nothing Observed

### Community Benefits

*(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)*

Nothing Observed

## Appendix 1

<p><b>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</b></p> <p><input type="checkbox"/> Not Applicable please x</p>	
<p><b>NOTE:</b> The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>	<p><b>Instruction to Audit Company:</b> fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
<b>ETI Code / Additional Elements</b>	<b>Customer's Supplier Code equivalent</b>
<b>0.A. Universal Rights covering UNGP</b>	<b>0.A. Universal Rights covering UNGP</b>
<p><b>0.A. Guidance for Observations</b></p> <p>0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>	
<b>0.B. Management Systems &amp; Code Implementation</b>	<b>0.B. Management Systems &amp; Code Implementation</b>
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>0.2 Suppliers shall appoint a senior member of</p>	

<p>management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
<b>ETI 1. Forced Labour</b>	<b>ETI 1. Forced Labour</b>
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	
<b>ETI 2. Freedom of association and the right to collective bargaining are respected</b>	<b>ETI 2. Freedom of association and the right to collective bargaining are respected</b>
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
<b>ETI 3. Working conditions are safe and hygienic</b>	<b>ETI 3. Working conditions are safe and hygienic</b>
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health &amp; Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p>3.4 Accommodation, where provided, shall be</p>	

<p>clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health &amp; Safety to a senior management representative.</p>	
<b>ETI 4. Child labour shall not be used</b>	<b>ETI 4. Child labour shall not be used</b>
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	
<b>ETI 5. Living wages are paid</b>	<b>ETI 5. Living wages are paid</b>
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	
<b>ETI 6. Working Hours are not excessive</b>	<b>ETI 6. Working Hours are not excessive</b>
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p> <p>6.3 All overtime shall be voluntary. Overtime shall</p>	

<p>be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where <b>all</b> of the following are met:</p> <ul style="list-style-type: none"> <li>– this is allowed by national law;</li> <li>– this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;</li> <li>– appropriate safeguards are taken to protect the workers' health and safety; and</li> <li>– The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.</li> </ul> <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	
<b>ETI 7. No discrimination is practised</b>	<b>ETI 7. No discrimination is practised</b>
<p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	
<b>ETI 8. Regular employment is provided</b>	<b>ETI 8. Regular employment is provided</b>
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such</p>	



<p>obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p><b>Additional Elements: Responsible Recruitment</b></p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	
<b>8A: Sub-Contracting and Homeworking</b>	<b>8A: Sub-Contracting and Homeworking</b>
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	
<b>ETI 9. No harsh or inhumane treatment is allowed</b>	<b>ETI 9. No harsh or inhumane treatment is allowed</b>
<p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
<b>10. Other Issue areas: 10A: Entitlement to Work and Immigration</b>	
<p><b>Additional Elements</b></p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	
<b>10. Other issue areas 10B2: Environment 2-Pillar</b>	

<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.</p> <p>10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.</p> <p><i>Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p><b>B.4. Compliance Requirements</b></p> <p>10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.</p> <p>10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements</p> <p>10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</p> <p>10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).</p> <p>10B4.7 Businesses shall make continuous improvements in their environmental performance.</p> <p>10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation</p> <p>10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.</p> <p><b>B4. Guidance for Observations</b></p> <p>10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
Business Practices Section	

### 10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.







### 10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.










10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.



## Photo Form

### General Photo

		
Factory name	Factory main gate	Factory building
		
Yarn store	Accessories store	Winding section
		
Jacquard section	Linking section	Trimming section




		
Washing section	Sewing section	Iron section
		
Finished goods area	Visual fire alarm	Fire alarm switch
		
Fire extinguisher	Fire hose reel	Fire fighting equipment

		
Fire sprinkler	Exit sign	Emergency light
		
Fire door	PA System	First aid box
		
First aider	Medical room	Patient bed
		
Emergency evacuation plan	Transformer	Complaint box



		
Drinking water	Child care facility	Electric control panel room
		
ETP plant	Gong bell	Risk assessment of Jacquard section
		
Rooftop	Stair	Chemical store
		
Workers toilet	Generator	Boiler

## Non- Compliance Photo

		
<p>NC Photo No-01 Belt cover was missing with auto placket machines</p>	<p>NC Photo No-02 Jacquard machines operators were not using ear plug</p>	<p>NC Photo No-03 Winding machine operators were not using ear plug</p>
		
<p>NC Photo No- 04 Aisle mark found partially blocked by machines in 6th floor at jacquard section.</p>		





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**Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.**

**You can leave feedback by following the appropriate link to our questionnaire:**

**[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5Iw_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5Iw\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5Iw_3d_3d)

**[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)