

Sedex Members Ethical Trade Audit (SMETA) Modified Version

Version 4.0.1 – Customer Code Version, Jun 2012

Supplier name:	Alim Knit (BD) Ltd.	
Site country:	Bangladesh	
Site name:	Alim Knit (BD) Ltd.	
SMETA Audit Type:	<input checked="" type="checkbox"/> 2-Pillar	<input type="checkbox"/> 4-Pillar

Audit Content:

(1) A SMETA 4-Pillar audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Practices. The SMETA Best Practice Methodology v.4.0 May 2012 was applied. 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
 - o Management systems and code implementation,
 - o Entitlement to Work & Immigration,
 - o Sub-Contracting and Home working,

4-Pillar SMETA Audit

- o 2-Pillar requirements plus
- o Additional Pillar assessment of Environment
- o Additional Pillar assessment of Business Practices

The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non compliances were raised against the ETI base-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.





Audit Company Name: Accordia Global Compliance Group	Report Owner (payee): Alim Knit (BD) Ltd.
Sedex Company Reference: (only available on Sedex System):	A000000129773
Sedex Site Reference: (only available on Sedex System)	P000000125707

Audit Conducted By

Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>
NGO	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Trade Union	<input type="checkbox"/>	Brand Owner	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)	

Auditor Reference Number: (If applicable)	
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SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA best practice guidance version 4.0. Any exceptions to this are recorded here:

- (1) A SMETA **2-Pillar** audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Practices. The SMETA Best Practice Methodology v.4.0 May 2012 was applied.
- (2) The audit scope was against the following reference documents
 - 2-Pillar SMETA Audit
 - ETI Base Code
 - SMETA Additions
 - o *Management systems and code implementation,*
 - o *Entitlement to Work & Immigration,*
 - o *Sub-Contracting and Home working,*
 - 4-Pillar SMETA

- *2-Pillar requirements plus*
- *Additional Pillar assessment of Environment*
- *Additional Pillar assessment of Business Practices*

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.

Role: A.F.M Amin Sharif (Lead Auditor), Md. Ripon Uddin (Auditor), Shamima Nasrin(Auditor), Nazia Nusrat (Auditor) & Shamimul Hasan (Trainee Auditor)

Date: 08th December, 2014

Audit Details

Audit Details	
A: Report #:	AKBDL08122014
B: Date of audit:	08 th December, 2014
C: Time in and time out:	Time in: 09:15 am Time out: 5.30 pm
D: Number of Auditor Days Used: (number of auditorx number of days)	4
E: 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
F: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced <input type="checkbox"/> Unannounced
G: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no, why not?	N/A
I: Auditor name(s) and role(s):	A.F.M Amin Sharif (Lead Auditor), Md. Ripon Uddin (Auditor), Shamima Nusrin (Auditor), Nazia Nusrat(Auditor) & Shamimul Hasan (Trainee Auditor)
J: Report written by:	A.F.M Amin Sharif (Lead Auditor)
K: Report reviewed by:	Chris Hayes
L: Report issue date:	23 December 2014
M: Supplier name:	Alim Knit (BD) Ltd.
N: Site name:	Alim Knit (BD) Ltd.
O: Site country:	Bangladesh
P: Site contact and job title:	Khondker Nazmul Alam (Manager-HR&Compliance)
Q: Site address:	Nayapara, Kashimpur, Gazipur, Bangladesh.
Site phone:	+88-02-9298557-8
Site fax:	+88-02-9298556

Site e-mail:	nazmulhr@mondon.net
R: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	<p>Factory License # 14350/ Gazipur, issue date 08/12/2013, valid till December, 2014</p> <p>Trade License # 52/2014-2015, issue date 07.09.2014, valid till-June 30, 2015.</p> <p>Fire License-1 # 23505/Dhaka12, Issue date 08.07.2014.06.2014 valid till June 30, 2015</p> <p>Fire License-2 # 23506/Dhaka12, Issue date 08.07.2014.06.2014 valid till June 30, 2015</p> <p>Fire License-3 # 23507/Dhaka12, Issue date 08.07.2014.06.2014 valid till June 30, 2015</p> <p>Export Promotion Bureau (EPB) # BD-05043 Date of issue 18.09.2014 and Valid up to 30/06/2015</p> <p>Group Insurance: Certificate # 647, Issue Date 03 May, 2014 valid up to 06 May, 2015</p> <p>Boiler Licence-1 - Ba.6817, Boiler Rating-276 Issue Date 25.06.2014 And valid date up to 25.12.2015.</p> <p>Boiler Licence-2.7033, Rating-1672, Issue date 14.08.2014, valid date up to 14.03.2015.</p> <p>Generator run permission- CPP0309L/0646/963 issue date 17.04.2013 valid date up to 16.04.2015.</p> <p>BGMEA membership certificate -4969963 issue date 08.01.2014 valid date up to December-2014</p> <p>Environmental Clarence Certificate-DABI/12985/GA/LAL issue date 19.11.2014 valid date up to 12.11.2015</p>
S: Products/Activities at site, for example, garment manufacture, electrical, toys, grower	All Kind of Knitted Garments
T: Audit results reviewed with site management?	Yes
U: Who signed and agreed CAPR (Name and job title)	Khondker Nazmul Alam (Manager-HR & Compliance)
V: Did the person who signed the CAPR have authority to implement changes?	Yes
W: Previous audit date:	January19-20, 2013

X: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
Full Initial	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
*If other, please define: BSCI & C-TPAT				

Audit Scope

Audit Scope (Please select the code and additional requirements that were audited against during this audit)	
2-Pillar Audit	<input checked="" type="checkbox"/>
10B4: Environment 4-Pillar	<input type="checkbox"/>
10C: Business Practices	<input type="checkbox"/>

Note: The main 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	Area of Non-Conformity (Only check box when there is a non-conformity)			Record the number of issues by line*:		
	ETI Base Code	Local Law	Additional Elements	NC	Obs	GE
0 Management systems and code implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
1 Employment Freely Chosen	<input type="checkbox"/>	<input type="checkbox"/>				
2 Freedom of Association	<input type="checkbox"/>	<input checked="" type="checkbox"/>			1	
3 Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			4	
4 Child Labour	<input type="checkbox"/>	<input type="checkbox"/>				
5 Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>				
6 Working Hours	<input type="checkbox"/>	<input type="checkbox"/>				
7 Discrimination	<input type="checkbox"/>	<input type="checkbox"/>				
8 Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>				
8A Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>			
9 Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>				
10A Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>			
10B2 Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>			
10B4 Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>			
10C Business Practices		<input type="checkbox"/>	<input type="checkbox"/>			

*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.

Audit Overview

Audit Overview																		
	Management	Worker Representatives																
Audit attendance	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 not present please explain reasons why	Not Applicable																	
E: If Union Representatives not present please explain reasons why:	The facility has no registered trade union. However, Worker Participation Committee has been formed as required by Bangladesh Labou rLaw 2006 Chapter 13 Section 205.																	
F: Site description: (Include size, location and age of site. Also include structure and number of buildings)	<p>Alim Knit (BD) Ltd. Is located Nayapara, Kashimpur, Gazipur, Bangladesh. The facility was established in 2010 and is currently operating with a sister concern Mondol Knit Tex Ltd. in the same compound. Facility has two nine storied buildings, one shades building and one security post total area coverage 3033980sqf. Alim Knit (BD) Ltd. is operating ground floor to 3rd and Mondol Knit Tex Ltd. Operating 4th to 8th floor</p> <p>Both factories are sharing child care room, Training centre, library, sample section, cutting, prayer room, doctor's, accessories, dining and canteen.</p> <p>Description of the buildings along within the compound is given below:</p> <table border="1"> <thead> <tr> <th colspan="2">Building -1</th> </tr> </thead> <tbody> <tr> <td>Ground floor:</td> <td>Dyeing finishing, reception, Guest room & Loading and Unloading</td> </tr> <tr> <td>1st floor</td> <td>Finished goods, Quality auditing area & Inspection room,</td> </tr> <tr> <td>2nd floor</td> <td>Maintenance room, sewing section line-8 & Office</td> </tr> <tr> <td>3rd floor</td> <td>Maintenance room, sewing section line-8 & Office</td> </tr> <tr> <td>4th floor</td> <td>Maintenance room, sewing section line-8 & Office (Mondol Knit Tex Ltd.)</td> </tr> <tr> <td>5th floor</td> <td>Training centre, canteen, library & prayer room</td> </tr> </tbody> </table>				Building -1		Ground floor:	Dyeing finishing, reception, Guest room & Loading and Unloading	1st floor	Finished goods, Quality auditing area & Inspection room,	2 nd floor	Maintenance room, sewing section line-8 & Office	3 rd floor	Maintenance room, sewing section line-8 & Office	4 th floor	Maintenance room, sewing section line-8 & Office (Mondol Knit Tex Ltd.)	5 th floor	Training centre, canteen, library & prayer room
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<p>G: Site function:</p> <p align="center"> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor </p>																																			
<p>H: Month(s) of peak season: <i>(if applicable)</i></p> <p align="center">Same throughout the year</p>																																			
<p>I: Typical production level as a % of the total capacity by month (record below):</p> <p align="center"><i>Site declaration only – this has not been verified by auditor.</i></p> <table border="1"> <thead> <tr> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td>90%</td> <td>91%</td> <td>91%</td> <td>92%</td> <td>95%</td> <td>94%</td> <td>95%</td> <td>93%</td> <td>88%</td> <td>89%</td> <td>90%</td> <td>90%</td> </tr> </tbody> </table>												Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	90%	91%	91%	92%	95%	94%	95%	93%	88%	89%	90%	90%
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec																								
90%	91%	91%	92%	95%	94%	95%	93%	88%	89%	90%	90%																								
<p>J: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>																																			
<p>Products- All kind of Knitted Garments</p>																																			

Production processes for Garments (Dyeing, Cutting, Sewing and Finishing).

Sewing Line: 16 lines Alim Knit (BD) Ltd.

Garments: Spreader Machine, Cutter Machine ,Band knife, fusing machine, Plain sewing machine, Single needle, double needle machine, Chain & Lock Stitch machine, over lock machine, Bartack machine, fit of the arm, metal detector, Button hole, Button attach, Snap button machine, rip cutting machine &flat lock,

K: 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

During worker interviews it was found that workers are happy with the management behaviour and the safe & healthy work environment in the factory. During the audit workers shared their views freely and openly. No negative issue was raised by the workers.

L: Attitude of managers:

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

Managers were found to be well aware about the legal requirements and the ETI Code elements. Management had very positive attitude towards the audit process and they wanted to improve their social compliance systems and practices learning from the audit findings.

M: Summary of main findings: (positive and negative)

(This is a summary not a repeat of the section detail)

Positive:

Company has well documented policies and procedures complying with all legal requirements and ETI Code elements. Regular trainings are provided to employees and records are maintained.

There is good communication between workers and management. Management was found committed to provide good work environment to its employees. Workers were also found to be satisfied with the work environment in the factory.

Housekeeping in the factory was good and overall health and safety conditions were satisfactory.

Non-Conformities Findings:

- Through the site visit it was noted Aisle mark was partially blocked with grey fabrics at fabric store
- Through the site visit it was noted no space found between wall, fabric and carton rack in different fabric and accessories store.
- Through the site visit it was noted ground floor fabric store secondary exit found blocked by fabric rack.
- During documents review and management interview it was noted that facility has 240 certified from fire service and civil defence. But as per Bangladesh fire Gazette-2014 facility requires 340 certified fire fighters
- During document review and management interview found that PC president is general manager (Admin).

Key Information

Key Information		
A: Do all workers (including migrant workers) have contracts of employment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence
D: For the lowest paid production worker, are wages paid for standard hours (excluding overtime) below or above the legal minimum?	Wages found:	Please indicate the breakdown of workforce according to earnings:
	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	_____ % of workforce earning under min wage 10% of workforce earning min wage 90% of workforce earning above min wage
E: % of piece rate workers: (if applicable)	All workers are working on monthly wages basis.	
F: Combined hours (standard and overtime) over 60 per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
G: Are the correct overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
H: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
I: % of workers living in site provided accommodation (if applicable):	Not Applicable	
J: Age of youngest worker found:	Above 18 years	
K: Workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <u>0</u> % of under 18's at this site (out of total workers) <input checked="" type="checkbox"/> No	
L: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (Worker Welfare Committee) <input type="checkbox"/> None	
M: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes Note: Trade union is not a mandatory requirement. Only if the <input checked="" type="checkbox"/> No workers opt to form a Union they can do so following the process defined in law.	
N: Is it a legal requirement to have a workers committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

O: Is there any other means? <i>(Other than union/worker committee)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: Installation of Suggestion/Complaint Boxes and Open door Policy
P: Are there any External Processes?	<input type="checkbox"/> Sub-Contracting <input type="checkbox"/> Homeworking <input type="checkbox"/> Other External Process (detail) <input checked="" type="checkbox"/> No external processes
Management Systems:	
Q: Nationality of Management	United Kingdom
R: Majority nationality of workers	Bangladeshi
S: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	10 %
T: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If not, why not?	
In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe:

Worker Analysis

Worker Analysis								
	Local			Migrant				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Homew orkers	
Worker numbers – Male	800	0	0	0	0	0	0	800
Worker numbers – female	900	0	0	0	0	0	0	900
Total	1700	0	0	0	0	0	0	1700
Number of Workers interviewed	52	0	0	0	0	0	0	52

Contractors:

(Individuals supplying workers to site with the workers paid by contractors, not by site)

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, how many workers supplied by contractors	N/A
C: Are all contractor workers paid according to law: (please record evidence)	N/A

Migrant Workers:

Please see SMETA Best Practice Guidance- Page 37

D: Originating Locations/Countries:	N/A
E: Work undertaken by migrant workers:	N/A
F: Were migrant workers recruited through an agency?	N/A
If yes, is there a contract with the agency? Provide details of agencies and contractual arrangements	N/A
G: Percentage of migrant workers in company provided accommodation:	N/A

Audit Results by Clause

0: Management systems and code implementation:

- 0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.3 Suppliers are expected to communicate this Code to all employees.
- 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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

Factory has documented policies and supporting procedures addressing each clause of the ETI Code and other legal requirements. All policies and procedures were up to date, approved by management and comply with the legal requirements.

As per workers training document checked and worker interview it was observed that workers are aware about ETI codes and last training conducted on 02 November, 2014.

Description of Current Status:

The management has communicated the policies and procedures to all workers by displaying them on notice board in local language, by including extracts of policies in worker handbook and by conducting regular trainings.

The facility has appointed Khondker Nazmul Alam (Manager- HR& Compliance) to implement and monitor the compliance of factory's policies, procedures and practices with the code and applicable legal requirements.

The factory has displayed the ETI Code in local language on their notice board, conducted trainings to make the workers aware of the code, and also communicated ETI base code with all suppliers. During worker interviews the workers were found to be aware of the ETI code requirements.

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

Objective evidence observed:

Local law or ETI requirement:

ETI requirement-

Recommended corrective action:

2. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

Local law or ETI requirement:

Law requirement

Recommended corrective action:

Observation

1. Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

2. Description of observation:

Local law or ETI requirement:

Comments:

Good Examples observed:

Description of Good Example (GE):

Objective evidence observed:

1: Employment is Freely Chosen

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

- Recruitment Policy &Procedure
- Personal file,
- Job Application
- Appointment letter,
- Terms & Conditions of employment

During worker interviews and review of personal files of workers it was found that the factory is not retaining any original identity papers or asking the worker to lodge deposits. They are free to leave the job giving one month notice.

The appointment letter includes all terms & conditions of employment and a statement confirming that the worker has read and understood the employment terms and accepts to join the factory on voluntary basis. The appointment letter is signed both by the factory and the worker. Copy of the employment letter is issued to the workers.

Description of current status:

During management and worker interviews it was found that the factory prohibits use of forced and bonded labour. While recruiting the workers are required to submit the application against which they are interviewed and tested for their skill by the concerned department. If the worker qualifies in interview and skill test the worker is explained the terms and conditions of employment. If the worker agrees to the employment terms the appointment letter is signed both by the factory and the worker and a copy of letter is issued to the worker.

Overtime is voluntary and workers are free to leave once the regular shift hours are complete. This was verified during worker interview.

During factory tour following were observed:

- Security guards are only posted at locations where needed for security purposes. No exaggerated security measures or Logistics were noticed. Security guards act in nonthreatening manner.
- The atmosphere in the facility appeared normal and no sign of fear or exaggerated obedience displayed by employees was noticed.
- There is no restriction on worker movement and workers are allowed to use toilets, medical centre, go to drinking water stations and to offer their prayers as and when necessary.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law:

Local law or ETI requirement:

Recommended corrective action:

2. Description of non-compliance:

NC against ETI NC against Local Law

Local law or ETI requirement:

Recommended corrective action:

Objective evidence observed:

Observation

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective evidence observed:



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

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.

Evidence of Compliance and Current Status:

Please Note: include evidence examined & description of current status.

Documents checked comments:

- List of Worker Participate Committee (WPC) Members
- WPC Meeting Agenda & Minutes
- Workers Complaint/Suggestion Register

During review of documents it was found that Worker Welfare Committee meetings are held once every two months. The minutes are posted on notice board in local language in order to communicate to the workers. The workers complaint/suggestion is recorded in a register.

Description of current status:

Factory does not have trade union. Factory has introduced alternate means to have good communication with workers. The initiatives include:

Formation of Worker welfare Committee

- Installation of Suggestion/Complaint Boxes
- Open door Policy

Factory has formed Worker welfare Committee (WWC). WWC has total 20 members out of which 9 members are management staff and 11 workers.

Facility has installed Suggestion/Complaint boxes at locations where workers can use them in privacy (like inside toilets, etc.).

Factory has Open Door Policy encouraging workers to directly approach the top management in case they have any concern that they would like to share. Last WWC meeting held on 11th November, 2014
However following inconsistency is found like:

- Facility has formed participant committee but president is general (Admin) manager instead of facility establishment head.



Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

During document review and management interview found that PC president is general manager (Admin).

Objective evidence observed:

Through document review and management interview

Local law or ETI requirement:

Law Requirement: As per Bangladesh Industrial Relationship rule section 30 establishment head shall be president of PC committee

Recommended corrective action:

As per Bangladesh Industrial Relationship rule section 30 establishment head shall be president of participant committee (PC) committee. Facility will revise the PC committee as per law.

Observation

Description of observation:

Objective evidence observed:

Local law or ETI requirement:

Comments:

Good Examples observed:

Description of Good Example (GE):

Objective evidence observed:



A: Name of union and union representative, if applicable:	Not Applicable	
If no union what is parallel means of consultation with workers e.g. worker committees?	Worker Participation Committee	
B: Is there any evidence that this is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Worker Participation Committee meetings are held once every two months. The minutes are posted on notice board in local language in order to communicate to the workers. Last meeting was held 11 th November, 2014	
C: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If yes what percentage by trade Union/worker representation	____ % workers covered by Union CBA	____ % workers covered by worker rep CBA
D: Does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> No CBA	



3: Working Conditions are Safe and Hygienic

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

- List of Health & Safety Committee members
- Health & safety Committee Meeting Minutes
- Risk Assessment
- Health and Safety Training Records (First Aid, Fire Fighting, Rescue, use of PPE, Use of machine guards, Chemical handling, MSDS, etc.)
- Fire Drill Records, Fire Plan, Inspection Records for firefighting equipment (Fire Extinguishers and Hosepipe)
- Clinic Logs, Accident/Injury Register
- Broken Needle Record
- First Aid Box item List
- Canteen Committee,
- Childcare Register
- Drinking Water Test Report
- Machine Maintenance Record
- Health & Safety related licenses (Fire License, Boiler License, Boiler Operator certificate, Building layout approval, Generator Approval and Group Insurance)

During review of Health & Safety documents it was found that all documents reviewed comply with all applicable laws and regulations.

Description of current status:

Factory has formed Health & Safety Committee comprised of members selected from both management and workers. This Committee meets regularly to review the health & safety condition in the factory. Any concerns raised during the meeting are resolved and actions taken are followed up in a subsequent meeting. Khondker Nazmul Alam (Manager-HR &Compliance) is assigned as the Health and Safety Representative and coordinates the activities of the health & safety Committee.



Factory has conducted Health & Safety Risk Assessment for all processes in the factory and safety measures have been introduced to minimize the risk.

All machines have been provided safety guards (needle guards, eye guards, pulley covers, etc.) and workers have been trained in machine safety. All workers have been provided PPE where required like mesh gloves in cutting, safety goggles and gloves in maintenance as identified during risk assessment.

During the factory tour it was observed that the facility is well built and the layout is well designed ensuring safe and healthy work environment for workers. In general the facility was found to comply with applicable health & safety laws and regulations.

The factory complies with fire safety regulations in general. Evacuation Plans were displayed in local language throughout the factory. Fire fighting equipment(Fire Extinguishers ABC-187 (6kgs), CO2-97 (6kgs), fire hose pipe-25, emergency exit gate- 5, fire alarm 25, smoke detector -124, heat detector-35, stretcher 10, hook 6, beater 15, gas mask 50, fire bucket 20, bucket stand 5, lock cutter 5, gong bell 6, hand gloves 60F, water drum 40, blanket 20.) were available as required by law. Factory has 240 trained Fire Fighters identified by their yellow colour uniform. Emergency exits and aisles were identified and were free of any kind of blockage. The factory has water reservoir with capacity overhead 196000 liters & underground 250000 liter capacity reserved for hosepipes. Facility has central fire control panel and facility installed water hydrant .Assembly area was identified and workers were found aware about it. The aisles were marked and meet the legal requirements.

Fire fighting team is available that is trained on a regular basis and records maintained. Fire fighter team members were found aware of the fire policy. Last training on 26.11.2014 by Mr.Suruzzaman (Fire safety officer). Facility has system to conduct regular Fire Safety Trainings. Fire training program facility covered 1700 workers out of 1700 workers. Facility has 240 fire fighter certified by Bangladesh Fire Service & Civil Defence Directorate& BV fire certified by 100 and from BGMEA100

Factory has provided Medical Room in Facility managed by a full time nurse and a medical doctor who attends to workers in case they seek any medical consultation and to support in first aid treatments in case of injury/accident. The pregnant workers medical follow up facility is also provided.

The Factory has 11 First Aid Boxes and a team of 36 First Aid providers (2 for each first aid box) trained by company doctor. Photographs of all first aid providers have been displayed with relevant first aid box. Each First Aid box was found to have all items required by law. List of items was available with each first aid box. Last training on 30.11.2014 by Dr.Md. Humayun Kabir(MBBS)

Factory has provided dining area where workers can take their lunch. The dining area was found clean and well maintained. Factory has also provided canteen facility for the workers.

Drinking Water was available for workers throughout the factory. The water is provided free of cost and is tested regularly to ensure it is suitable for drinking. Factory has sufficient number of toilets for male and female employees. The toilets were found to be clean and hygienic.

Fulltime cleaners have been appointed to keep the factory clean and tidy.

Factory holds regular training covering various aspects of health & Safety for all employees. The newly hired workers are provided health & safety training as part of orientation program. Records of such trainings are maintained. However, following gap was found during document review:

Company has not provided any Accommodation/Dormitory Facility.



Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

Through the site visit it was noted Aisle mark was partially blocked with grey fabrics at fabric store.

Local law or ETI requirement

ETI requirement -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

Recommended corrective action:

Facility agreed and will take corrective action.

Objective evidence observed:

Through facility tour

2. Description of non-compliance:

NC against ETI NC against Local Law

Through the site visit it was noted no space found between wall, fabric and carton rack in different fabric and accessories store.

Through facility tour

Local law or ETI requirement:

Law requirement-

As per Bangladesh fire gazette 2014

Recommended corrective action:

Facility shall take action as per fire gazette.

3. Description of non-compliance:

NC against ETI NC against Local Law

Through facility tour

Through the site visit it was noted ground floor fabric store secondary exit found blocked by fabric rack

Local law or ETI requirement: Bangladesh Labour law2006 section 62 (3) In every establishment the doors affording exit from any room shall not be locked or fastened so that they can be easily and immediately opened from inside while any person is within



the room and all such doors, unless they are of the sliding type, shall be constructed to open outwards or where the door is between two rooms, and all such doors, unless they are of the sliding type, shall be constructed to open outwards or where the door is between two rooms, in the direction of the nearest exit from the building and no such door shall be locked or obstructed while work is being carried on in the room.

Recommended corrective action:

Facility shall keep free all exits by removing fabrics rack

4. Description of non-compliance:

Through facility tour

NC against ETI NC against Local Law

During documents review and management interview it was noted that facility has 240 certified from fire service and civil defence. But as per Bangladesh fire Gazette-2014 facility required 340 certified fire fighter

Local law or ETI requirement:

Bangladesh fire Gazette 18 September, 2014

Recommended corrective action:

Facility shall have 20% fire fighter from fire service and civil defence

Observation

Description of observation:

Objective evidence observed:

Local law or ETI requirement:

Recommended corrective action:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:



4: Child Labour Shall Not Be Used

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

- Recruitment Policy
- Personal File
- Age Verification by Doctor
- Age Verification documents (Birth Certificate, National ID, and School certificate)
- Training records

During review of personal file it was found that all age verification documents (age verification certificate by registered medical doctor.) were present

Description of current status:

The factory does not employ any employee below the age of 18 years. The recruitment process requires workers to undergo a medical examination to verify the age by registered medical doctor.

During management and worker interviews it was found that all workers had been examined by the medical doctor for age verification purpose as defined in recruitment procedure. Where possible the workers had also provided the birth certificates, school certificates and Nation ID. Copies of age verification documents are retained in personal files. Further it was confirmed during interviews that factory does not employ any child labour.

During factory tour no child labour or young looking worker was found.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

Objective evidence observed:

Local law or ETI requirement:



Recommended corrective action:

2. Description of non-compliance:

NC against ETI NC against Local Law

Local law or ETI requirement:

Recommended corrective action:

Observation

Description of observation:

Objective evidence observed:

Local law or ETI requirement:

Comments:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:



5: Living Wages are paid

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

- Appointment Letter (stating the salary breakdown).
- Salary Sheet
- Pay slip
- Minimum Wage and calculation of Overtime displayed
- Increment records
- Working hour record
- Service Book
- Maternity Benefit
- Earned Leave
- Service Benefit
- Group Insurance
- Worker Participation Fund and Worker Welfare fund
- Training record

Compensation records of 52 randomly selected workers were checked covering 3 pay periods. All documents were found to comply with applicable laws and regulations.

During review of compensation documents and worker interviews it was confirmed that factory is paying salaries meeting legal minimum wage. The overtime is recorded on time cards and is paid at the rate of 200% of the basic salary as required by law.

Description of current status:

All workers are communicated breakdown of their salary by stating the salary in their appointment letters, worker handbooks and displaying the legal minimum wages on notice board in local language. Further the factory also explains the calculation of wages during orientation training.

Workers sign the salary sheets and are issued pay slips explaining all components of the salary including deductions (if any) in local language.



During worker interviews the workers seem to be aware of the legal minimum wage, Overtime calculation and the breakdown of their salaries.

The calculation of other financial benefits including earned leave, maternity and service benefits was verified and was found to comply with legal requirements.

Company had paid the group Insurance premium and had valid group Insurance license covering the life insurance in case a worker meets any fatal accident during work.

The factory only deducts salary if the worker is absent, as permitted by law. There is no other form of monetary deduction in the factory.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

Objective evidence observed:

Local law or ETI requirement:

Recommended corrective action:

2. Description of non-compliance:

NC against ETI NC against Local Law

Local law or ETI requirement:

Recommended corrective action:

Observation

Description of observation:

Local law or ETI requirement:

Objective evidence observed:

Comments:

Good Examples observed:

Description of Good Example (GE):

1. Facility has been giving attendance bonus of 300 & 500,
2. Festival bonus is giving 100% of basic

Objective Evidence Observed:

Through worker interview and management interview



Wages analysis:

A: Sample size: <i>(number of wages checked and which weeks or months – please see BPG)</i>	52 (52 payroll records reviewed from October-2014, Septeber-2014 &May-2014)						
B: Legal minimum wage for standard time: <i>(excluding OT - please include time period e.g. hour/week/month)</i>	BDT 5600/-per month						
C: Are there different legal minimum wage grades? If yes, please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, please give details:					
		Grade	Basic Salary	House Rent	Medical Allowance	Food Allowance	Gross Salary
	1	8330	3570	250.00	650.00	13000.00	
	2	68600	2940	250.00	650.00	10900	
	3	3993	1711	250.00	650.00	6805	
	4	3724	196	250.00	650.00	6420	
	5	3459	1482	250.00	650.00	6042	
	6	3205	1373	250.00	650.00	5678	
	7	3000	1200	250.00	650.00	5300	
D: Where there are different legal minimum wage grades are all workers graded correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If no, please give details:					
E: What deductions are required by law:		Deduction for unauthorised absence					
F: Have all of these deductions been made?	Yes						
G: Industry norm for this region: <i>(please include time period e.g. hour/week/month)</i>	Same as specified by Bangladesh Local Labor Law 2006						
H: Legal overtime premium for weekdays: <i>(please include time period e.g. hour/week/month)</i>	200% of the basic salary						
I: Legal overtime premium for rest days: <i>(please include time period e.g. hour/week/month)</i>	200% of the basic salary						
J: Legal overtime premium for holidays: <i>(please include time period e.g. hour/week/month)</i>	200% of the basic salary						



Worker Type	Process Operator (Highest paid)	Process Operator (Average paid)	Process Operator (Lowest paid)
<p>Select one worker's records from each "Worker Type" and populate the boxes. Ensure comparison is made for same pay period (peak) and only uses full-time workers. See SMETA Best Practice Guidance for completing this:</p>			
A: Pay period (please include time period e.g. hour/week/month):	October-2014	October-2014	October-2014
B: Anonymous Employee Reference/Dept.	Worker A Dyeing-Finishing-operator	Worker B Operator	Worker C Gr. Operator
C: Employee Gender	Male	Female	Female
D: Contracted wage (please include time period e.g. hour/week/month):	BDT-8000.00per month	BDT 6420per month	BDT 5678per month
E: Standard working hours(excluding OT - please include time period e.g. hour/week/month):	48 hour per week	48 hour per week	48 hour per week
F: Standard work pay rate(excluding OT - please include time period e.g. hour/week/month):	BDT 8000per month	BD 3800per month	BDT 3270 per month
G: Standard day overtime – hours (please include time period e.g. hour/week/month):	2 hours per day	2 hours per day	2 hours per day
H: Standard day overtime – wage (please include time period e.g. hour/week/month):	200% of the basic salary	200% of the basic salary	200% of the basic salary
I: Rest day overtime – hours (please include time period e.g. hour/week/month):	0	0	0
J: Rest day overtime – wage (please include time period e.g. hour/week/month):	N/A	N/A	N/A
K: Statutory Holiday overtime – hours (please include time period e.g. hour/week/month):	0	0	0
L: Statutory holiday OT - wages (please include time period e.g. hour/week/month):	N/A	N/A	N/A

M: Total overtime hours (please include time period e.g. hour/week/month):	41 in a month	38 hrs in a month	20 hrs in a month
N: Incentives/Bonus/Allowances etc. (please include time period e.g. hour/week/month):	Attendance Bonus BDT 00- per month	Attendance Bonus BDT 500/- per month	Attendance Bonus BDT 00- per month
O: Gross wages (please include time period e.g. hour/week/month):	BDT 11850 per month	BDT 8306.46 per month	BDT 6306.85 per month
P: Social insurance and other deductions	BDT 10 for revenue stamp	BDT 10 for revenue stamp	BDT 10 for revenue stamp Unauthorised absent deduction 632.90
Q: Actual wage paid after deduction (please include time period e.g. hour/week/month):	BDT 14993.85 per month	BDT 8298.48 per month	BDT 5663.94 per month
Comments: (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			
The salaries are paid based on the skill of a worker. Highly skilled workers get paid more as compared to low skill workers.			
R: Is there a defined living wage: <small>This is not normally legal wage. If answered Yes please state amount and source of info: Please see BPG</small>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time period:		
S: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
T: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: workers' salaries are paid based on their skill		
U: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer If not explain:		
Actual overtime premium paid in sample for...			
V: Weekdays:	200% of the basic salary		
W: Rest days:	Facility didn't work on any rest day		
X: Holidays:	Facility didn't work on any Holiday		



6: Working Hours are not Excessive

ETI

6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.

6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

- Time Cards
- Attendance register
- Over Time Record
- Leave Entitlement
- Leave register

During review of working hour documents and worker interviews it was found that factory does not exceed overtime 2 hours per day and 12 hours per week. Also one day off is provided for every 7 day period.

Description of current status:

The working hours are recorded on Time Cards manually. The time cards are maintained by the time office and are signed by the workers confirming the time recorded.

The factory operates six days a week providing 1 day off every Friday. Factory operates 8 hours per day and 48 hours per week as regular working hours. Overtime does not exceed the legal limit of 2 hours per day and 12 hours per week.

During document review and worker interview it was found that the factory does not operate on holidays and weekly day off. Further it was found that the Overtime is voluntary and workers are free to leave after regular working hours.

The working hour policy was displayed on company notice board in local language and also included in the worker handbooks. Further, workers are provided training on working hours during orientation.



Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

Objective evidence observed:

Local law or ETI requirement:

Recommended corrective action:

Observation

Description of observation:

Objective evidence observed:

Local law or ETI requirement:

Comments:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

Working hours analysis

Please include time period e.g. hour/week/month

A:What timekeeping systems are used: time card etc.	Facility has software based proximity card system to keep the time record. Attendance is recorded in their software.
B:Sample size checked (number of workers): <i>Please see BPG</i>	52 for each of the three pay periods i.e.
C:Legal standard work week (hours): <i>(Excluding OT - please include time period e.g. hour/week/month).</i>	48 hrs



D: Contracted standard work week this site (hours) (excluding OT - please include time period e.g. hour/week/month)::	48 hrs.
E: Actual standard work week averaged over sample for full time workers: (excluding OT - please include time period e.g. hour/week/month)	48 hrs.
F: Lowest standard hours worked(excluding OT - please include time period e.g. hour/week/month)	48 hrs.
G: Highest standard hours worked(excluding OT - please include time period e.g. hour/week/month)	48 hour per week
H: Percentage workers on part-time contracts	<u>0</u> %age
I:Legal permitted overtime hours (please include time period e.g. hour/week/month)	2 hours in a day
J: Any local waivers or permission for annualised hours for this site:	No
K: Actual overtime hours: (averaged over sample)(please include time period e.g. hour/week/month)	Average Overtime over 3 pay periods 35.01hours per month
L: Range of overtime hours over all workers: (quote highest and lowest please include time period e.g. hour/week/month)	Highest 12 hour and lowest 0 hour per week.
M: approx. % of workers on highest overtime hours:	40 % based on sample checked during audit
N: Peak season(s): Months	Round the year
Comments: (Please state here any specific reasons/circumstances that explain the highest working hours)	
The factory plans production for 10 hours to provide opportunity to workers to earn additional wage by working 2 hrs Overtime. But the Overtime is voluntary and the workers are free to leave after regular working hours.	



7: No Discrimination is practiced

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

- Policy on Prohibition of Discrimination
- Recruitment Policy
- Promotion Policy
- Interview Sheet/Skill Test Records
- Worker performance records by industrial engineering department
- Grievance Procedure
- Disciplinary Procedure
- Increment records
- Salary Sheets/payroll
- Training Records

During document review and worker interviews it was found that the factory does not discriminate among employees in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, gender, marital status, sexual orientation or membership in any union or political affiliation

Description of current status:

Factory has documented policy on prohibition of discrimination and is communicated to all employees by displaying on notice board in local language, including it in worker handbook and by providing training to all employees (management and workers). Records of training are maintained.

Any employee found to violate the company policy on prohibition of discrimination is subject to disciplinary action. Further the employees can also use grievance procedure to complain about such violation.

During management and worker interviews it was found that all employees were aware about the policy on prohibition of Discrimination and Grievance Procedure.



Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

Objective evidence observed:

Local law or ETI requirement:

Recommended corrective action:

2. Description of non-compliance:

NC against ETI NC against Local Law

Local law or ETI requirement:

Recommended corrective action:

Observation

Description of observation:

Objective evidence observed:

Local law or ETI requirement:

Comments:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:



8: Regular Employment Is Provided

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

- Personal files
- ID cards,
- Service book,
- Employment Terms & Conditions.
- Group Insurance

During document review and worker interview it was found that factory issues appointment letters to all workers. The appointment letter is signed both by the factory representative and the worker.

Description of current status:

All workers are recruited directly by the factory on permanent basis. All workers are issued appointment letters as required by law. All workers are entitled to legally mandated benefits like Group Insurance, Service benefit, earned leave and maternity benefit.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

Objective evidence observed:

Local law or ETI requirement:

Recommended corrective action:



2. Description of non-compliance:

NC against ETI NC against Local Law

Local law or ETI requirement:

Recommended corrective action:

Observation

Description of observation:

Objective evidence observed:

Local law or ETI requirement:

Comments:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:



8A: Sub-Contracting and Homeworking:

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.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

The factory does not subcontract any of its production process. Further factory does not have homeworking or any external processing.

Factory has documented policy for sub-contractor policy just in case the factory needs to subcontract any process in future.

Description of current status:

Not Applicable as the factory is not sub-contracting, homeworking or external processing.

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

Objective evidence observed:

Local law or ETI /Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law



Local law or ETI requirement:

Recommended corrective action:

Observation

Description of observation:

Objective evidence observed:

Local law or ETI/Additional elements requirement:

Comments:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:



Summary of sub-contracting – if applicable	
A: Number of sub-contractors/agents used	Not Applicable
B: Is there a site policy on sub-contracting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, summarise details: Company has a policy in place defining how they will monitor sub-contractor compliance to local laws but so far the company is not sub-contracting any of its production to any sub-contractor.
C: What checks are in place to ensure no child labour is being used and work is safe?	Not Applicable
D: What processes are sub-contracted?	Not Applicable

Summary of homeworking – if applicable			
E: Number of homeworkers	Male:	Female:	Total:
F: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		
G: If through agents, number of agents			
H: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
I: How does site ensure worker hours and pay meet local laws for homeworkers?			
J: What processes are carried out by homeworkers?			
K: Are written agreements in place for homeworkers that include regular employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
L: Are full records available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		



9: No Harsh or Inhumane Treatment is Allowed

ETI

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

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

- Policy on Prohibition of Harassment & Abuse
- Suggestion/Complaint Register
- Grievance Procedure
- Training records

Factory has a documented policy on prohibition of Harassment & Abuse and employees (management & workers) have been trained. Training records are maintained.

Description of current status:

During factory tour and worker interview it was found that behaviour of the management with workers is very professional. No worker complaint about any harsh or inhumane treatment.

Any employee found to use harsh or inhumane treatment with any employee is subject to disciplinary action. Further the employees can also use grievance procedure to complaint about such violation.

During management and worker interviews it was found that all employees were aware about the policy on prohibition of harassment and abuse and Grievance Procedure.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

Objective evidence observed:

Local law or ETI requirement:

Recommended corrective action:



2. Description of non-compliance:

NC against ETI NC against Local Law

Local law or ETI requirement:

Recommended corrective action:

Observation

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:



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

Additional Elements

- 10A1 Only workers with a legal right to work shall be employed or used by the supplier.
- 10A2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.
- 10A3 employment agencies must only supply workers registered with them.
- 10A4 the supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked comments:

- Personal Files
- Recruitment procedure

During document review and worker interview it was found that all workers are directly employed by the factory and that all employees had been issued appointment letter and were recruited following the process defined in the recruitment procedure.

Description of current status:

During factory tour and worker interviews it was found that all worker are directly employed and that no immigrant worker is employed by the factory. Further no agency worker is working in the factory. Security, cleaners and canteen staff all are directly employed by the factory.

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

Objective evidence observed:

Local law or ETI /Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

NC against ETI/Additional Elements NC against Local



Local law or ETI/Additional Elements requirement:

Recommended corrective action:

Observation

Description of observation:

Objective evidence observed:

Local law or ETI/Additional Elements requirement:

Comments:

Good examples observed:

Description of Good Example (GE):

Objective Evidence Observed:



10. Other issue areas 10 B 2: Environment 2-pillar

To be completed for a 2-Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

10B2. 1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10B2. 2 The supplier should be aware of and comply with their end clients 'environmental requirements.

Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.

Evidence of Compliance and Current Status

Please Note: include evidence examined & description of current status.

Documents checked & comments:

- Environmental Policy
- Waste policy
- Waste disposal record
- Training record

Description of current status:

The factory production processes are cutting, sewing, embroidery, washing &finishing and packing. Garment factories that do not have processing like printing &dyeing, etc. are exempt from obtaining environment clearance certificate.

The factory has a policy on solid waste management and it segregates the waste generated and sells it to vendors who can re-use or recycle the waste.

Non-compliance:

1. Description of non-compliance:

NC against ETI /Additional Elements NC against Local Law

Objective evidence observed:

Local law or ETI /Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law



Local law or ETI /Additional Elements requirement:

Recommended corrective action:

Observation

Description of observation:

Objective evidence observed:

Local law or ETI /additional elements requirement:

Comments:

Good examples observed:

Description of Good Example (GE):

Objective Evidence Observed:



Worker Interview Summary

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: <i>Please specify number and size of groups. Please see BPG</i>	8 Groups of 4 workers in each.	
D: Number of individual interviews <i>Please see BPG</i>	Male: 8	Female: 12
E: Number of interviewed workers <i>Please see BPG</i>	Male: 20	Female: 32
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?	No complaint raised by the workers in the interview process	
I: What did the workers like the most about working at this site?	In time salary Good behaviour of supervisors Flexible Leave policy Good and Clean working environment	
J: Any additional comment(s) regarding interviews:	During the interview it was noted that the workers of the factory are happy with management. They have a good communication between workers and management through workers participation committee.	

Agency Workers (workers sourced from a local agent who are not directly paid by the site)	
A: Number of agencies used (average):	N/A And names if available:
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No

Other findings

Other Findings outside the Scope of the Code

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)

Appendix 1

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."

<p>NOTE: 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>	
ETI Code	Customer's Supplier Code equivalent
ETI 1. Employment is freely chosen	ETI 1. Employment is freely chosen
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.	
ETI 2. Freedom of association and the right to collective bargaining are respected	ETI 2. Freedom of association and the right to collective bargaining are respected
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.	
ETI 3. Working conditions are safe and hygienic	ETI 3. Working conditions are safe and hygienic
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	



<p>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 and 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 clean, safe, and meet the basic needs of the workers.</p> <p>3.5. The company observing the code shall assign responsibility for health and safety to a senior management representative.</p>	
ETI 4. Child labour shall not be used	ETI 4. Child labour shall not be used
<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; "child" and "child labour" being defined in the appendices.</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>	
ETI 5. Living wages are paid	ETI 5. Living wages are paid
<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>	
ETI 6. Working Hours are not excessive	ETI 6. Working Hours are not excessive
6.1. Working hours comply with national laws and	



benchmark industry standards, whichever affords greater protection. 6.2. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.	
ETI 7. No discrimination is practised	ETI 7. No discrimination is practised
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.	
ETI 8. Regular employment is provided	ETI 8. Regular employment is provided
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.	
ETI 9. No harsh or inhumane treatment is allowed	ETI 9. No harsh or inhumane treatment is allowed
Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.	

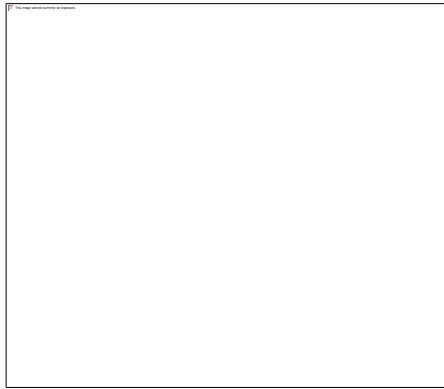
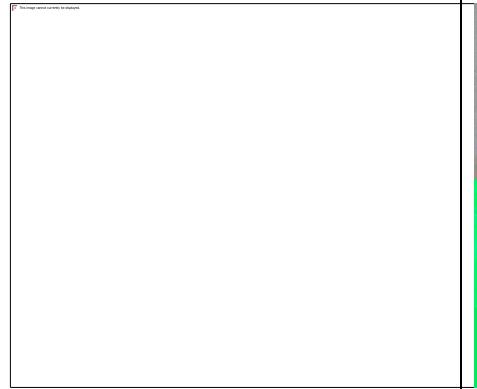
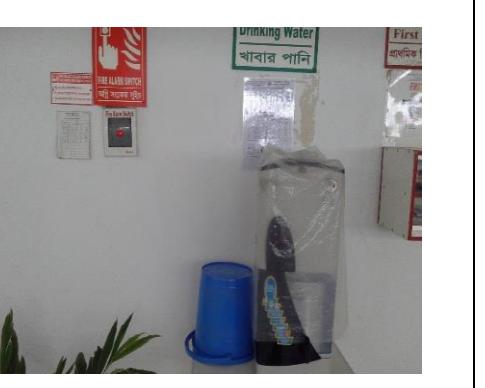
SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
D1. Suppliers as a minimum shall meet the requirements of local and national laws related to environmental standards. D2. Suppliers shall seek to make continuous improvements in their environmental performance. D3. The supplier shall be aware of their end client's environmental standards/code requirements and have a system in place to monitor their performance against these.	



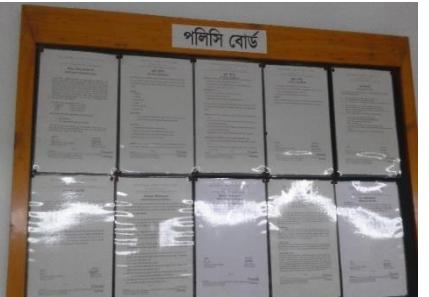
<p>D4. Suppliers shall have available for review any environmental certifications or any environmental management systems documentation.</p> <p>D5. Suppliers should be aware of the significant environmental impacts of their site and its processes.</p> <p>D6. Suppliers should have an environmental policy, covering its environmental impacts, which are communicated to all appropriate parties, including their own suppliers.</p> <p>D7. Suppliers should have a nominated individual responsible for coordinating the site's efforts to improve environmental performance.</p> <p>D8. Where appropriate suppliers must be able to demonstrate that they have the relevant valid permits for use and disposal of resources e.g. water, waste, etc.</p>	
Business Practices Section	
<p>E1. As a minimum, suppliers must comply with the requirements of local and national laws and regulations in the area of business integrity.</p> <p>E2. Suppliers shall seek to conduct their business ethically without bribery, corruption or any other type of fraudulent or unfair business practice.</p> <p>E3. Suppliers shall be aware of their end client's business integrity standards/code requirements and have a system in place to monitor their performance against these.</p> <p>E4. Suppliers should have a business integrity policy concerning bribery, corruption or unethical business practice. This should be clearly communicated to all relevant parties.</p> <p>E5. Suppliers should have a transparent system in place for confidentially reporting, and dealing with, unethical business practices, without fear of reprisals towards the reporter.</p>	

Photo Form

		
Factory Front Side	Chemical Store	Fabrics Area
		
Cutting Section	Sewing Section	Finishing Section

		
Printing Section	Child Care Room	Doctors Room
		
Dining Hall	Toilet	Complaint Box
		
First Aid Box	Fire Alarm	Drinking Water

		
Prayer Room	Spot Removing Area	Exit
		
Canteen	Generator	Boiler Room
		
Fire Hose	Evacuation Map	Auto Fire Hydrant

		
News Corner	ETI Notice Board	Policy Board

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It will help to make improvements to future versions.**

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

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http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

[Click here for B members:](#)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRqlY_2brg_3d_3d



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