




# Sedex Members Ethical Trade Audit Report

**Version 6.1**



| Audit Details   |   |   |  |
|---|---|---|--|
| Sedex Company Reference:<br><i>(only available on Sedex System)</i> | ZC: 404159972   | Sedex Site Reference:<br><i>(only available on Sedex System)</i>                | ZS: 404224787  |
| Business name (Company name):                                       | Arunima Sports Wear Ltd   |   |  |
| Site name:  | Arunima Sports Wear Ltd   |   |  |
| Site address:<br><i>(Please include full address)</i>               | Holding - 08/63/4, Road-1, Ward - 8, Block - D, Zirabo, Ashulia, Savar, Dhaka | Country:  | Bangladesh   |
| Site contact and job title:   | Mr. Md. Nasir Uddin- Asst. General Manager (Compliance)                       |   |  |
| Site phone:   | +8801990407031  | Site e-mail:  | compliance02@arunima-group.net   |
| SMETA Audit Pillars:  | <input checked="" type="checkbox"/> Labour Standards                          | <input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar) | <input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics |
| Date of Audit:  | 11 & 12 May 2022  |   |  |

|  |  |
|--|--|
| <b>Audit Company Name &amp; Logo:</b><br><br><b>Bureau Veritas Consumer Products Services (Bangladesh) Ltd.</b><br><br> | <b>Report Owner (payer):</b><br><i>(If paid for by the customer of the site please remove for Sedex upload)</i><br><br><b>Arunima Sports Wear Ltd.</b> |
|--|--|

| Audit Conducted By      |                                     |  |                          |             |                          |
|-------------------------|-------------------------------------|--|--------------------------|-------------|--------------------------|
| Affiliate Audit Company | <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) |                          |             |                          |

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact [grievance@sedex.com](mailto:grievance@sedex.com).

To confirm the validity of this report, please visit <https://www.sedex.com/audit-verifier/>

## 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 6.1 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): Nurun Nahar Diba, Wadud Ahmed Chowdhury and Rabeya Gulsan Ara Nupur (Observer)

Lead auditor: Nurun Nahar Diba APSCA number: RA 21701270  
Lead auditor APSCA status: Registered Auditor  
Team auditor: Wadud Ahmed Chowdhury and Rabeya Gulsan Ara Nupur (Observer)  
APSCA number: RA 21700679 and not registered  
Interviewers: Nurun Nahar Diba, Wadud Ahmed Chowdhury  
APSCA number: RA 21701270, RA 21700679

Report writer: Nurun Nahar Diba (RA 21701270)  
Report reviewer: Mr. Alok Mishra

Date of declaration: 11 & 12, May 2022

*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.*

**"This audit includes elements beyond the scope of a Social Compliance Audit as defined by the APSCA Competency Framework. The association of the auditor's APSCA number with this report is limited to those elements outlined in the APSCA Competency Framework. APSCA makes no representations with respect to the auditor's competency to professionally evaluate compliance with any other audit elements."**

## Summary of Findings

| Issue<br><i>(please click on the issue title to go direct to the appropriate audit results by clause)</i><br><i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i> | Area of Non-Conformity<br><i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i> |                          |                          |                          | Record the number of issues by line*: |     |    | Findings<br><i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>   |
|---|--|--------------------------|--------------------------|--------------------------|---------------------------------------|-----|----|---|
|   | 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                                     | 06  |    | <b>Observation:</b><br>1. No policy that expresses commitment to respect human rights.<br>2. No designated responsible person for implementing standards concerning human rights.<br>3. Factory did not identify their stakeholders and salient issues.<br>4. Factory did not measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.<br>5. Factory did not have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.<br>6. No transparent system in place for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter. |
| 0B <a href="#">Management systems and code implementation</a>   |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 0                                     | 0   | 0  | None observed   |

|    |                                       |                          |                                     |  |                          |    |   |   |   |
|----|---------------------------------------|--------------------------|-------------------------------------|--|--------------------------|----|---|---|---|
| 1. | <u>Freely chosen Employment</u>       | <input type="checkbox"/> | <input type="checkbox"/>            |  | <input type="checkbox"/> | 0  | 0 | 0 | None observed   |
| 2  | <u>Freedom of Association</u>         | <input type="checkbox"/> | <input type="checkbox"/>            |  | <input type="checkbox"/> | 0  | 0 | 0 | None observed   |
| 3  | <u>Safety and Hygienic Conditions</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |  | <input type="checkbox"/> | 03 | 0 | 0 | <p><b>NC</b></p> <p>1. Randomly checked</p> <p>a) Needle guards of 16 out of 20 sewing machines were found in displaced condition while operating the machines in the sewing section (1<sup>st</sup> to 4<sup>th</sup> &amp; 6<sup>th</sup> floor, building 1). Note that the facility has approximately 1,281 different types of sewing machines.</p> <p>b) D-ring (safety guard) was missing for 4 out of 4 snap button machines (6<sup>th</sup> floor, building 1).</p> <p>2. Last drinking water test report (Dated 02 January 2022 from BUET) pH was found 5.37 Whereas recommended level is (6.5-8.5), Total Coliform (TC) was found 30 CFU/100 ml whereas recommended level is (0) CFU/100 ml, However, all other parameters were found within the standard limit.</p> <p>3. Facility has applied for increasing the load capacity of their generator waiver certificate on 23 March 2022 to the concerned authority but did not receive the certificate yet. The facility has discarded its one 242 kW capacity generator. Currently, the facility has 4 diesel generators (508 &amp; 440 kW under Arunima Sports Wear Ltd. and 508 &amp; 440 kW capacity under DMC Apparels Limited). The current generator waiver certificate is valid for 750 kW till 25 August 2022 and 948 kW till 13 September 2024 for Arunima and DMC respectively.</p> |

|      |  |                                     |                                     |                          |                          |    |   |    |  |
|------|--|-------------------------------------|-------------------------------------|--------------------------|--------------------------|----|---|----|--|
| 4    | <u>Child Labour</u>                    | <input type="checkbox"/>            | <input type="checkbox"/>            |                          | <input type="checkbox"/> | 0  | 0 | 0  | None observed  |
| 5    | <u>Living Wages and Benefits</u>       | <input type="checkbox"/>            | <input type="checkbox"/>            |                          | <input type="checkbox"/> |    | 0 | 02 | <b>GE</b><br><ol style="list-style-type: none"> <li>1. Facility provides attendance bonus (BDT. 500) for all employees.</li> <li>2. Facility provides allowance (BDT. 50) to all fire fighter, rescuer and first aider member.</li> </ol>  |
| 6    | <u>Working Hours</u>                   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |                          | <input type="checkbox"/> | 03 | 0 | 0  | <b>NC</b><br><ol style="list-style-type: none"> <li>1. Weekly working hours exceeded the legal limit and ETI requirement in the cutting, sewing, finishing, quality, packing, and admin sections.</li> <li>2. Daily working hours exceeded the legal limit of 12 hours (regular + overtime) in the cutting, finishing, quality, and packing sections.</li> <li>3. 2 days off in every 14-day period was not ensured as per ETI requirement in the cutting, sewing, quality, finishing, packing, and admin sections.</li> </ol> |
| 7    | <u>Discrimination</u>                  | <input type="checkbox"/>            | <input type="checkbox"/>            |                          | <input type="checkbox"/> | 0  | 0 | 0  | None observed  |
| 8    | <u>Regular Employment</u>              | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | 0  | 0 | 0  | None observed  |
| 8A   | <u>Sub-Contracting and Homeworking</u> |                                     | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | 0  | 0 | 0  | None observed  |
| 9    | <u>Harsh or Inhumane Treatment</u>     | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | 0  | 0 | 0  | None observed  |
| 10A  | <u>Entitlement to Work</u>             |                                     | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | 0  | 0 | 0  | None observed  |
| 10B2 | <u>Environment 2-Pillar</u>            |                                     | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> | 0  | 0 | 0  | None observed  |

|      |                             |  |                          |                          |                          |     |     |     |                |
|------|-----------------------------|--|--------------------------|--------------------------|--------------------------|-----|-----|-----|----------------|
| 10B4 | <u>Environment 4-Pillar</u> |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | N/A | N/A | N/A | Not Applicable |
| 10C  | <u>Business Ethics</u>      |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | N/A | N/A | N/A | Not Applicable |

General observations and summary of the site:

**The following NCs noted at previous audit# 10210750697 were found closed in this current audit.**

Management systems and code implementation#

1. It was noted that 40 out of 75 sampled workers found unaware about ETI base code though factory management provided training periodically.

Safety and Hygienic Conditions#

1. It was noted that 2 out of 11 aisles found partially blocked by input trolley at 2nd and 3rd floor of building#1.
2. It was noted that 07 out of 16 electricians of the facility have no valid Electrical Works men Permit of Government (License).

**Periodic audit on 11 & 12 May 2022: Closed**

Management systems and code implementation#

1. 1During this periodic audit it was noted that factory management had ensured that the workers are aware about the ETI base code.

Safety and Hygienic Conditions#

1. During this periodic audit it was noted that factory management had ensured that all aisles are unobstructed in this factory.
2. During this periodic audit it was noted that factory management had ensured that all electricians of the facility obtained valid Electrical Works men Permit of Government (License).

**NC found in this Periodic audit on 11 & 12 May 2022:**

Safety and Hygienic Conditions#

1. It was noted through the site tour that randomly checked
  - a) Needle guards of 16 out of 20 sewing machines were found in displaced condition while operating the machines in the sewing section (1<sup>st</sup> to 4<sup>th</sup> & 6<sup>th</sup> floor, building 1). Note that the facility has approximately 1,281 different types of sewing machines.
  - b) D-ring (safety guard) was missing for 4 out of 4 snap button machines (6<sup>th</sup> floor, building 1).It was noted that 07 out of 16 electricians of the facility have no valid Electrical Works men Permit of Government (License).



2. It was noted that the last drinking water test report (Dated 02 January 2022 from BUET) pH was found 5.37 Whereas recommended level is (6.5-8.5), Total Coliform (TC) was found 30 CFU/100 ml whereas recommended level is (0) CFU/100 ml, However, all other parameters were found within the standard limit.

3. It was noted through site tour, document review, and management interview that the facility has applied for increasing the load capacity of their generator waiver certificate on 23 March 2022 to the concerned authority but did not receive the certificate yet. The facility has discarded its one 242 kW capacity generator. Currently, the facility has 4 diesel generators (508 & 440 kW under Arunima Sports Wear Ltd. and 508 & 440 kW capacity under DMC Apparels Limited). The current generator waiver certificate is valid for 750 kW till 25 August 2022 and 948 kW till 13 September 2024 for Arunima and DMC respectively.

#### **Working Hours are not Excessive #1**

1. It was noted through attendance records, payroll record review, and workers interview that weekly working hours exceeded the legal limit and ETI requirement in the cutting, sewing, finishing, quality, packing, and admin sections. A total of 62 workers was randomly sampled and their overtime work detail is summarized below:

a) In March 2022 (Recent Paid Month),

I) 2 workers have worked 69 hours (48 hours regular+21 hours overtime) to 70 hours (48 hours regular+22 hours overtime) in a week which violates ETI but complies with legal requirements.

II) 60 workers have worked 73 hours (48 hours regular+25 hours overtime) to 84 hours (48 hours regular+36 hours overtime) in a week which violates both ETI and legal requirements.

b) In November 2021 (Random Paid Month),

62 workers have worked 61 hours (48 hours regular+13 hours overtime) to 72 hours (48 hours regular+24 hours overtime) in a week which violates ETI but complies with legal requirements.

c) In June 2021 (Random Paid Month),

I) 14 workers have worked 63 hours (48 hours regular+15 hours overtime) to 72 hours (48 hours regular+24 hours overtime) in a week which violates ETI but complies with legal requirements.

II) 48 workers have worked 73 hours (48 hours regular+25 hours overtime) to 90 hours (48 hours regular+42 hours overtime) in a week which violates both ETI and legal requirements.

2. It was noted through attendance records, payroll record review, and workers' interviews that daily working hours exceeded the legal limit of 12 hours (regular + overtime) in the cutting, finishing, quality, and packing sections. A total of 62 workers was randomly sampled and their overtime work detail is summarized below:

a) In March 2022 (Recent Paid Month),

13 out of 62 workers have worked 13 hours (8 hours regular+5 hours overtime) to 16 hours (8 hours regular+8 hours overtime) in a day.

b) In June 2021 (Random Paid Month),

12 out of 62 workers have worked 15 hours (8 hours regular+7 hours overtime) to 20 hours (8 hours regular+12 hours overtime) in a day.

Note that, the maximum daily working hours did not exceed 12 hours in total (regular + overtime) in November 2021 (random paid month).

3. It was noted through attendance record and payment record review, management, and worker interview that 2 days off in every 14-day period was not ensured as per ETI requirement in the cutting, sewing, quality, finishing, packing, and admin sections. The detail is summarized below:

a) June 2021 (Random paid month): 56 out of 62 sampled workers have worked consecutive 13 days in a row without having a weekend. Note that the facility was open on weekly holidays of 11 and, 25 June 2021. The facility compensated those holidays with the festival holidays of Eid-UI-Fitr.

Note that no weekly holiday work was found in the month of November 2021 (Random paid month) and 2 days off in every 14-day period was ensured for the month of March 2022 (recent paid month).

#### **Observations found in this Periodic audit on 11 & 12 May 2022:**

##### Universal Rights covering UNGP

1. It was noted that there is no policy that expresses commitment to respect human rights.
2. It was noted that There is no designated responsible person for implementing standards concerning Human Rights.
3. It was noted that factory did not identify their stakeholders and salient issues.
4. It was noted that factory did not measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
5. It was noted that factory did not have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
6. It was noted that there is no transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

**Summary of the site:** Arunima Sports Wear Ltd. was located at Holding - 08/63/4, Road-1, Ward - 8, Block - D, Zirabo, Ashulia, Savar, Dhaka, Bangladesh. The factory was established on 2004. The total factory area was 232107 square feet and the production area was 1,80,000 square feet. The factory specializes in the manufacture of all kinds of knit and Woven (Bottom) items. In view of facilities, the facility consists of 04 buildings made of concrete and 10 Sheds. Factory did not provide any dormitory facility for their worker.

Production process included processing Cutting, Sewing, Finishing and Packing. The production capacity is 750, 000 pieces for knit item and 550, 000 pieces for woven item per month. Factory had no obvious peak or off peak season and consistent production throughout the year. The factory's major markets were USA-90% and Europe-5%, Canada -5% and its major customers were George, Kontoor, Walmart, Pepco, LIDL, Target, Baspro etc.

On the day of audit, there were 3832 employees (Male-2069 & Female-1763) in the factory. However, total strength is 4269 employees of which 2305 male and 1964 female workers. General working hour was from 08:30 am to 05:30 pm with 01-hour lunch break in 04 shift (12:30 pm to 01:30 pm, 12:45 pm to 01:45 pm, 01:15 pm to 02:15 pm, 01:45 pm to 02:45 pm). However, all workers were local. As per provided time cards and salary sheet the weekend of the factory is Friday.

Per payroll review and interviews with management & employees, all the workers paid by monthly wage system by cash. Wages were paid & issued once in a month within first 7 working days of the following pay period. Last payment date was on April 07, 2022 for the month of March 2022. Noted that the factory was closed from 30<sup>th</sup> April 2022 to 9<sup>th</sup> May 2022 due to festival holiday (EID-UI-Fitr) and **the facility still has the legal timeframe to pay the wages for the month of April 2022 within 7th working day.** Hence, auditor picked sample March 2022 for most recent month.

The factory was using electronic 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:  | Arunima Sports Wear Ltd  |   |                           |             |                |                   |  |  |
| B: Site name:   | Arunima Sports Wear Ltd  |   |                           |             |                |                   |  |  |
| C: GPS location:<br>(If available)  | GPS Address: Holding - 08/63/4,<br>Road-1, Ward - 8, Block - D,<br>Zirabo, Ashulia, Savar, Dhaka   | Latitude: 23.91375228848096<br>Longitude: 90.31011186754118 |                           |             |                |                   |  |  |
| D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections | <p><b>Certificate of Incorporation:</b> C-48802 (786)/2003</p> <p><b>Factory license:</b><br/>12066/Dhaka 'K' category, issued by Chief Inspector General of Industries (Govt. Of the People 's Republic of Bangladesh), which is valid till 30th June 2022.</p> <p><b>Fire License:</b><br/>Fire License No: DD/Dhaka/18232/2003 issued by Bangladesh Fire Service &amp; Civil Defense Authority, which is valid till 30th June 2022.</p> <p><b>Trade License:</b><br/>009878 issued by Yearpur Union Council which is valid till 30 June 2022.</p>   |   |                           |             |                |                   |  |  |
| E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc   | All kinds of knit and Woven (Bottom) items.  |   |                           |             |                |                   |  |  |
| F: Site description:<br>(Include size, location, and age of site. Also, include structure and number of buildings)  | <p>Arunima Sports Wear Ltd. was located at Holding - 08/63/4, Road-1, Ward - 8, Block - D, Zirabo, Ashulia, Savar, Dhaka, Bangladesh. The factory was established on 2004.</p> <p>The total factory area was 232107 square feet and the production area was 1,80,000 square feet. The factory specializes in the manufacture of all kinds of knit and Woven (Bottom) items.</p> <p>Inside the facility premises there was another facility named DMC Apparels Limited (under same owner and management under different license and workforce). In view of facilities, the facility consists of 04 buildings made of concrete and 10 Sheds. Some areas of the buildings and sheds were commonly used by the both factories. Floor and section wise factory lay out is as follows:</p> <table border="1" data-bbox="678 1703 1448 1833"> <thead> <tr> <th>Production Building /shed</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td><b>Building 1</b></td> <td></td> <td></td> </tr> </tbody> </table> |   | Production Building /shed | Description | Remark, if any | <b>Building 1</b> |  |  |
| Production Building /shed   | Description  | Remark, if any  |                           |             |                |                   |  |  |
| <b>Building 1</b>   |  |   |                           |             |                |                   |  |  |

|                           |  |   |      |
|---------------------------|--|---|------|
|                           | Ground floor   | Woven Cutting, Sample Fabric & Accessories keeping area, Stationary materials keeping room, Finish Goods keeping area (Knit & Woven), Security In-Charge Office, Time Section & Mini Embroidery Room for sampling & Fire Command Room of Arunima Sports Wear Ltd. | None |
|                           | 1st floor  | Woven Sewing, Welfare Office, Office Room, IE Department room. Woven Fabric Inspection Room of Arunima Sports Wear Ltd.   | None |
|                           | 2nd floor  | Sewing section, maintenance room and office room of Arunima Sports Wear Ltd.  | None |
|                           | 3rd floor  | Woven Sewing, Woven Sample Room, Training/Knit Sample Room, IE Department office, Office room, Zipper Keeping Room of Arunima Sports Wear Ltd.  | None |
|                           | 4th floor  | Knit Sewing, Sub-Accessories Store, Compliance Office, Time Section, Inspection Room, Office Room of Arunima Sports Wear Ltd.   | None |
|                           | 5th floor  | Central Woven Finishing, Fusing Room, Packing section, Wash Garments keeping Area, Spot Removing Room of Arunima Sports Wear Ltd.   | None |
|                           | 6th floor  | Woven Sewing, Finishing, IE Department of Arunima Sports Wear Ltd.  | None |
|                           | 7th floor  | Knit Cutting, Spot Removing Room, Reject Parts keeping Area, In-house Lab, Knit Finishing-1, Knit Finishing-2, Metal detector Machine, FR Finish Goods Keeping Area of Arunima Sports Wear Ltd.   | None |
|                           | 8th floor  | Merchandising, IT, Commercial, Accounts, Conference Room, Staff Dining Hall, Sample Section (BDC), CAD & Directors Office of Arunima Sports Wear Ltd.   | None |
|                           | Roof top   | Open Sky (Covered 30% by Fabricated tin shed & 70 % by Concrete).   | None |
|                           | Is this a shared building?                                     | No  |      |
| <b>Building 2</b>         |  |   |      |
| Ground floor to 6th floor | Production floor of DMC Apparels Limited (under same owner and | None  |      |

|  |   |      |
|--|---|------|
|  | management but different workforce).  |      |
| Roof top   | Fully Vacant  | None |
| Is this a shared building?   | No  |      |
| <b>Building 3</b>  |   |      |
| Ground floor   | Compressor Room, Documents Control room & Office room of Arunima Sports Wear Ltd.                                       | None |
| Is this a shared building?   | No  |      |
| <b>Building 4</b>  |   |      |
| Basement floor   | Generator room commonly used.   | None |
| Ground floor   | Sub-station room commonly used.   | None |
| Is this a shared building?   | Yes   |      |
| Shed 01  | Boiler Room & Generator Room-2 commonly used.   | None |
| Shed 02  | Fire Pump House commonly used.  | None |
| Shed 03  | Medical, Day Care commonly used.  | None |
| Shed 04  | Central Store (Fabric & Accessories), Non-Conforming goods keeping area, Fabric relax area commonly used.               | None |
| Shed 05  | Dining hall, Workers personal Locker commonly used and Knit Fabric Inspection area of Arunima Sports Wear Ltd.          | None |
| Shed 06  | Wastage Keeping area commonly used.   | None |
| Shed 07  | Lubricant Room commonly used.   | None |
| Shed 08  | RMS room commonly used.   | None |
| Shed 09  | Security room commonly used.  | None |
| Shed 10  | Generator and compressor of DMC Apparels Limited (under same owner and management but different license and workforce). | None |
| <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed?<br/> <input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p> <p>F2: Please give details:<br/>           No crack was observed on the audit day.</p> <p>F3: Does the site have a structural engineer evaluation?<br/> <input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> |   |      |

|   |   |
|---|---|
| <p>G: Site function:</p>  | <p>F4: Please give details: The site had been evaluated by ALLIANCE on Fire, Electrical and Building Safety in Bangladesh.</p> <p> <input type="checkbox"/> Agent<br/> <input checked="" type="checkbox"/> Factory Processing/Manufacturer<br/> <input type="checkbox"/> Finished Product Supplier<br/> <input type="checkbox"/> Grower<br/> <input type="checkbox"/> Homeworker<br/> <input type="checkbox"/> Labour Provider<br/> <input type="checkbox"/> Pack House<br/> <input type="checkbox"/> Primary Producer<br/> <input type="checkbox"/> Service Provider<br/> <input type="checkbox"/> Sub-Contractor         </p>   |
| <p>H: Month(s) of peak season: (if applicable)</p>  | <p>Production is consistent year round</p>  |
| <p>I: Process overview:<br/>(Include products being produced, main operations, number of production lines, main equipment used)</p> | <p>The production capacity is 750, 000 pieces for knit item and 550, 000 pieces for woven item per month. The factory specialized in the manufacture of all kinds of knit and Woven (Bottom) items. The main production process is Cutting, Sewing, Finishing and Packing. Total sewing line is 31.</p> <p>Below machines used in the facility:<br/>Plain machine 911 pcs, Two needle machine 290 pcs, Overlock machine 247 pcs, Button hole machine 18 pcs, Button stitch machine 21 pcs, Bar tack machine 95 pcs, Flat lock machine 108 pcs, Snap button machine 17 pcs, Cutting machine 24 pcs, pressing machine- 320 etc.</p> |
| <p>J: What form of worker representation / union is there on site?</p>  | <p> <input type="checkbox"/> Union (name)<br/> <input checked="" type="checkbox"/> Worker Committee<br/> <input type="checkbox"/> Other (specify)<br/> <input type="checkbox"/> None         </p>   |
| <p>K: Is there any night production work at the site?</p>   | <p> <input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No         </p>   |
| <p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>  | <p> <input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>           L1: If yes, approx. % of workers in on site accommodation         </p>  |
| <p>M: Are there any off site provided worker accommodation buildings</p>  | <p> <input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>           M1: If yes, approx. % of workers         </p>   |
| <p>N: Were all site-provided accommodation buildings included in this audit</p>   | <p> <input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>           N1: If no, please give details<br/>           Not applicable, as the site did not provide any worker accommodation.         </p>  |

| Audit Parameters   |   |   |   |
|--|---|---|---|
| A: Time in and time out  | A1: Day 1 Time in: 9:12 am<br>A2: Day 1 Time out: 4:15 pm   | A3: Day 2 Time in: 9:05 am<br>A4: Day 2 Time out: 4:10 pm | A5: Day 3 Time in: N/A<br>A6: Day 3 Time out: N/A |
| B: Number of auditor days used:  | 4 Man-days (02 auditors on 1st Day and 02 auditors on 2nd day)  |   |   |
| C: Audit type:   | <input type="checkbox"/> Full Initial<br><input checked="" type="checkbox"/> Periodic<br><input type="checkbox"/> Full Follow-up<br><input type="checkbox"/> Partial Follow-Up<br><input type="checkbox"/> Partial Other<br><br>If other, please define |   |   |
| D: Was the audit announced?  | <input type="checkbox"/> Announced<br><input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks<br><input type="checkbox"/> Unannounced  |   |   |
| E: Was the Sedex SAQ available for review?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>E1: If No, why not  |   |   |
| F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?                   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>If <b>Yes</b> , please capture detail in appropriate audit by clause  |   |   |
| G: Who signed and agreed CAPR (Name and job title)                                     | Mr. Md. Nasir Uddin- Asst. General Manager (Compliance)   |   |   |
| H: Is further information available (If yes, please contact audit company for details) | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |   |   |
| I: Previous audit date:  | 22 & 23 May 2021  |   |   |
| J: Previous audit type:  | Periodic  |   |   |
| K: Were any previous audits reviewed for this audit                                    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><br><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<br><i>(only complete if no worker reps present)</i> | Not applicable   |   |   |
| E: If Union Representatives were not present please explain reasons why:<br><i>(only complete if no union reps present)</i>  | There is no trade union in this facility, and it is not mandated by law. However, the facility has elected Worker Participating Committee, and the Participating Committee representative present during the opening and closing meetings. |   |   |

## 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 or permanent resident 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*  |           |        | Home workers | Total |
|  | Permanent | Temporary | Agency | Permanent | Temporary | Agency |              |       |
| Worker numbers – Male                  | 2305      | 0         | 0      | 0         | 0         | 0      | 0            | 2305  |
| Worker numbers – female                | 1964      | 0         | 0      | 0         | 0         | 0      | 0            | 1964  |
| Total                                  | 4269      | 0         | 0      | 0         | 0         | 0      | 0            | 4269  |
| Number of Workers interviewed – male   | 33        | 0         | 0      | 0         | 0         | 0      | 0            | 33    |
| Number of Workers interviewed – female | 29        | 0         | 0      | 0         | 0         | 0      | 0            | 29    |
| Total – interviewed sample size        | 62        | 0         | 0      | 0         | 0         | 0      | 0            | 62    |



|  |  |  |
|--|--|--|
| A: Nationality of Management   | Bangladeshi  |  |
| <p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p> | <p>Nationalities:</p> <p>B1: Nationality 1: __Bangladeshi__</p> <p>B2: Nationality 2: __0%__</p> <p>B3: Nationality 3: __0%__</p>  | <p>Was the list completed during peak season?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods:</p> |
| C: Please provide more information for the three most common nationalities.  | <p>C: 100 % total workforce: Nationality 1 _____</p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>   |  |
| D: Worker remuneration (management information)  | <p>D: _____% workers on piece rate</p> <p>D1: _____% hourly paid workers</p> <p>D2: __100__% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: __100__% monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p> |  |



| Worker Interview Summary   |  |
|--|--|
| A: Were workers aware of the audit?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| B: Were workers aware of the code?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| C: Number of group interviews:<br><i>(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)</i>  | 08 groups of 05 employee   |
| D: Number of individual interviews<br><i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>  | D1: Male: 13      D2: Female: 09   |
| 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.<br><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<br><input type="checkbox"/> No<br><br>If no, please give details   |
| F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| G: In general, what was the attitude of the workers towards their workplace?   | <input checked="" type="checkbox"/> Favourable<br><input type="checkbox"/> Non-favourable<br><input type="checkbox"/> Indifferent  |
| H: What was the most common worker complaint?  | None   |
| I: What did the workers like the most about working at this site?  | Working environment  |
| J: Any additional comment(s) regarding interviews:   | Most employees enjoyed working at this facility, they felt they had sufficient wage and had a good relationship with management in general.  |
| K: Attitude of workers to hours worked:  | The interviewed workers expressed satisfaction about their working hours as it is favourable to their health with no excess stress and all over time works were voluntary. Also, informed that factory's working condition is favourable as well as management attitude is very positive towards them. |
| L. Is there any worker survey information available?   |  |

Yes

No

L1: 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 employees were generally positive about their work place; they got on well with workers and managers. They found management team positive and approachable. 62 workers were selected for interview including 33 male and 29 female employees, they were interviewed as 08 groups of 05 and the balances of 22 workers were interviewed individually.

The employees were assured of confidentiality and they spoke freely of their views of the factory. All employees said they were satisfied with their employment at the factory and they are provided wages as per their agreement. They felt free to leave this employer and understood the notice period required. They facility management treated them with respect.

They are able to complain directly to their compliance responsible person or line manager and felt free to give their general concerns to their management representative.

**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*

The Participation Committee members were positive about the facility and looking forward to developing relationships with the management team.

The Participation Committee member's interview was conducted privately in a separate place. The Participation Committee members replied naturally regarding their responsibilities as Participation Committee member and they also informed that they can easily carryout their daily job without any difficulties.

**O: Attitude of managers:**

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

The facility management team was very well cooperative and professional during the audit day. Auditor was permitted in full access to all required information, documents, worker interviews and facility tour. The facility was willing to take corrective action plan and implement.

## Audit Results by Clause

|   |
|---|
| <p><b>0A: Universal Rights covering UNGP</b><br/> <a href="#">(Click here to return to summary of findings)</a></p>   |
| <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> <p>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.</p> |

|   |
|---|
| <p><b>Current Systems and Evidence Examined</b></p> <p><i>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.</i></p> |
| <p><b>Current systems:</b> Factory management is not aware of Universal right covering UNGP. They had no policy, no designated responsible person and no transparent system to comply with this clause.</p> <p><b>Evidence examined – to support system description (Documents examined &amp; relevant comments. Include renewal/expiry date where appropriate):</b> Document Review and Management review.</p> <p>Details: Factory policy, rules and regulations</p> <p>Any other comments: Nil</p>                        |

|   |   |
|---|---|
| <p>A: Policy statement that expresses commitment to respect human rights?</p> | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p> |
|---|---|

|   |   |
|---|---|
|   | Please give details (mainly applicable for the parent company): There was no policy that expresses commitment to respect human rights.  |
| B: Does the business have a designated person responsible for implementing standards concerning Human Rights?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><br>Please give details: There was no designated responsible person for implementing standards concerning Human Rights.<br>Name: Not applicable<br>Job title: Not applicable  |
| C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?                                   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>C1: Please give details: There is no transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.  |
| D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement) | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>D1: If no, please give details: There is no 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). |
| E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>E1: Please give details: There is no effective data privacy procedure for workers' information, which is implemented.   |

| Findings   |   |
|--|---|
| <p><b>Finding: Observation</b> <input checked="" type="checkbox"/> <b>Company NC</b> <input type="checkbox"/></p> <p><b>1. Description of observation:</b> It was noted that there is no policy that expresses commitment to respect human rights.</p> <p><b>Additional elements:</b> 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><b>Comments:</b> It is recommended that management adopt practices and controls to ensure that factory shall have a policy that expresses commitment to respect human rights.</p> <p><b>Finding: Observation</b> <input checked="" type="checkbox"/> <b>Company NC</b> <input type="checkbox"/></p> | <p><b>Objective evidence observed:</b> Based on management interview.</p> |

|   |   |
|---|---|
| <p><b>2. Description of observation:</b> It was noted that There is no designated responsible person for implementing standards concerning Human Rights.</p> <p><b>Additional elements:</b> 0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p><b>Comments:</b> It is recommended that management adopt practices and controls to ensure that factory shall have a designated responsible person for implementing standards concerning Human Rights.</p> <p><b>Finding:</b> Observation <input checked="" type="checkbox"/>                      Company NC <input type="checkbox"/></p>  | <p><b>Objective evidence observed:</b> Based on management interview.</p> |
| <p><b>3. Description of observation:</b> It was noted that factory did not identify their stakeholders and salient issues.</p> <p><b>Additional elements:</b> 0. A.3 Businesses shall identify their stakeholders and salient issues.</p> <p><b>Comments:</b> It is recommended that management adopt practices and controls to ensure that factory should identify their stakeholders and salient issues.</p> <p><b>Finding:</b> Observation <input checked="" type="checkbox"/>                      Company NC <input type="checkbox"/></p>  | <p><b>Objective evidence observed:</b> Based on management interview.</p> |
| <p><b>4. Description of observation:</b> It was noted that factory did not measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p><b>Additional elements:</b> 0. A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p><b>Comments:</b> It is recommended that management adopt practices and controls to ensure that factory should measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p><b>Finding:</b> Observation <input checked="" type="checkbox"/>                      Company NC <input type="checkbox"/></p>   | <p><b>Objective evidence observed:</b> Based on management interview.</p> |
| <p><b>5. Description of observation:</b> It was noted that factory did not have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p><b>Additional elements:</b> 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><b>Comments:</b> It is recommended that management adopt practices and controls to ensure that factory should have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p><b>Finding:</b> Observation <input checked="" type="checkbox"/>                      Company NC <input type="checkbox"/></p> | <p><b>Objective evidence observed:</b> Based on management interview.</p> |
| <p><b>Finding:</b> Observation <input checked="" type="checkbox"/>                      Company NC <input type="checkbox"/></p>   |   |



|  |   |
|--|---|
| <p><b>6. Description of observation:</b> It was noted that there is no transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p> <p><b>Additional elements:</b> <i>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.</i></p> <p><b>Comments:</b> It is recommended that management adopt practices and controls to ensure that factory shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p> | <p><b>Objective evidence observed:</b> Based on management interview.</p> |
|--|---|

| Good examples observed:                         |   |
|---|---|
| Description of Good Example (GE): None observed | <p><b>Objective Evidence Observed:</b><br/>Not applicable</p> |

## Measuring Workplace Impact

| Workplace Impact   |   |                                     |
|--|---|-------------------------------------|
| A: Annual worker turnover:<br>Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)   | A1: Last year:<br>__3.89__ %  | A2: This year<br>__3.19__ %         |
| B: Current % quarterly (90 days) turnover:<br>Number of workers leaving from the first day of the 90 days 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] | 1.77 %  |                                     |
| C: Annual % absenteeism:<br>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]<br>* number available workdays in the year   | C1: Last year:<br>__4.42__ %  | C2: This year<br>__3.59__ %         |
| D: Quarterly (90 days) % absenteeism:<br>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]<br>* Number of available workdays in the month                                   | 1.69%   |                                     |
| E: Are accidents recorded?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>E1: Please describe: Medical officers, medical assistants are responsible position to keep records of any accident. |                                     |
| F: Annual Number of work related accidents and injuries per 100 workers:<br>[(Number of work related accidents and injuries * 100) / Number of total workers]  | F1: Last year: 2021<br>Number: : 0.63%  | F2: This year:2022<br>Number: 0.21% |
| G: Quarterly (90 days) number of work related accidents and injuries per 100 workers:<br>[(Number of work related accidents and injuries * 100) / Number of total workers]   | 0.22  |                                     |
| H: Lost day work cases per 100 workers:<br>[(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]   | H1: Last year: 00   | H2: This year: 00                   |
| I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:   | I1: 6 months<br>__0__% workers  | I2: 12 months<br>__0__% workers     |

|   |                                    |                                     |
|---|------------------------------------|-------------------------------------|
| J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months: | J1: 6 months<br>___100___% workers | J2: 12 months<br>___100___% workers |
|---|------------------------------------|-------------------------------------|

**0B: Management system and Code Implementation**  
*(Click here to return to summary of findings)*

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:** Factory has a HR/compliance team to look after, obtain, implement and update the laws and regulations relevant for operating the factory and train up workers accordingly. Factory provided all required documents as well as full access to perform the audit. All business license documents are found updated. Beside it was observed that management has a positive view towards compliance.

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

Details: Factory policy, rules and regulations, business licenses and certificates etc.

Any other comments: Nil

| <b>Management Systems:</b>  |  |
|---|--|
| A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?            | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>A1: Please give details: In the past factory was not subject to any fines/prosecutions for noncompliance to any regulation.                            |
| B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse? | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>B1: Please give details: The factory established the policy on reducing the risk of forced labour, child labour, discrimination, harassment and abuse. |
| C: If Yes, is there evidence (an indication) of effective implementation? Please give details.                                  | Through documents review and workers interview, the written policies (No forced labour, No child labour, Non-discrimination, Anti-   |

|   |   |
|---|---|
|   | harassment and abuse) were communicated to the workers as much as factory mid-level management & workers were informed by training via notification board and training.   |
| D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>D1: Please give details: Managers and workers were communicated the written standards for forced labour, child labour, discrimination, harassment & abuse by notification board and training.                                 |
| 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<br><input type="checkbox"/> No<br>E1: Please give details: Factory had arranged training to reduce the risk of forced labour, child labour, discrimination, harassment & abuse for mid-level management & workers. Last training was arranged on April 4, 2022. |
| 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<br><input checked="" type="checkbox"/> No<br>F1: Please give details: Facility has no internationally recognized system certifications currently. However, they conduct internal audits periodically.  |
| G: Is there a Human Resources manager/department? If Yes, please detail.  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>G1: Please give details: Facility has a dedicated Human Resources department consisting of 05 members and is headed by Mr. Md. Nasir Uddin- Asst. General Manager (Compliance).   |
| H: Is there a senior person / manager responsible for implementation of the code  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>H1: Please give details: Responsibility for meeting the legal and client code requirements is taken by Mr. Md. Nasir Uddin- Asst. General Manager (Compliance).   |
| I: Is there a policy to ensure all worker information is confidential?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>I1: Please give details: Factory had adopted a policy decision whereby all employees of the company will be required to maintain confidentiality with regard to affairs of the company & its greater interests.               |
| J: Is there an effective procedure to ensure confidential information is kept confidential?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>J1: Please give details: Workers' information are filed in a separate room under lock and key, authorized by the HR department. After ending  |

|   |   |
|---|---|
|   | service of any employee, factory retains the files/documents for two years and then disposes them.  |
| K: Are risk assessments conducted to evaluate policy and procedure effectiveness?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>K1: Please give details: Facility conducts risk assessment every six months which evaluates effectiveness of every policy and procedure department wise.  |
| 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<br><input type="checkbox"/> No<br>L1 Please give details: The facility had a system to take corrective and preventive action to reduce identified risks.  |
| M: Does the facility have a policy/code which require labour standards of its own suppliers?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>M1: Please give details: Factory had a policy on labour standard of its own suppliers. The policy was shared during business contracts.   |
| <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<br><input type="checkbox"/> No<br>Please give details: Factory has all legal documents relating to 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<br><input type="checkbox"/> No<br>Please give details: Factory has a designated person to recognize and apply national laws and practices relating to land title. Moreover, factory complies with all national laws and practices relating to land title. |
| 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 type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>P1: If yes, how does the company obtain FPIC:<br>Not applicable   |
| Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>Please give details: Factory has valid purchase documents for the land.   |
| R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>Please give details: Facility did not demonstrate any alternatives specific land acquisition were   |

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|  | considered to avoid or minimize adverse impacts. However, the factory land area were acquired by factory owner.  |
| S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint. | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>Please give details: Based on documents review it was noted that factory did not expand illegal expansion of facility building. No floors added to the building since the original construction of the building. |

| Non-compliance:  |   |
|--|---|
| <b>1. Description of non-compliance:</b><br><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:<br>None Observed<br><br><b>Local law and/or ETI requirement:</b> Not Applicable<br><br><b>Recommended corrective action:</b> Not Applicable | <b>Objective evidence observed:</b><br><i>(where relevant please add photo numbers)</i><br><br>Not Applicable |

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

| Good Examples observed:                                       |   |
|---|---|
| <b>Description of Good Example (GE):</b><br><br>None Observed | <b>Objective evidence observed:</b><br><br>Not Applicable |

**1: Freely Chosen Employment**  
*(Click here to return to summary of findings)*

**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:** All employees found working voluntarily during audit in the factory. Employees' freedom of movement is not restricted as they can easily go to toilet or can drink water. Factory doesn't require any monetary deposits during recruitment. Factory doesn't have system to recruit employees from manpower agency. All employees are directly recruited by the factory. If any employees want to leave the job, he/she may leave giving 60 days' notice prior to leave. There is no wages withholding practice observed in the factory. Security guards are not allowed in production floors. Thus, based on observation and employees interview during audit, it was noted that this factory was in compliance with this section.

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

Details: Factory policy, rules and regulations, employees' personnel files, training records etc.

Any other comments: Nil

|   |   |
|---|---|
| A: Is there any evidence of retention of original documents, e.g. passports/ID's                      | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>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<br><input checked="" type="checkbox"/> No<br>If yes, please give details and category of workers affected:                                 |
| C: Is there any evidence of retention of wages /deposits  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>If yes, please give details and category of workers affected:                                 |
| D: Are there any restrictions on workers' freedom to terminate employment?                            | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>Please describe finding: There is no restriction on workers' freedom to terminate employment. |
| E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> Not applicable   |

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| published a 'modern day slavery statement'?   | E1: Please describe finding: Business turnover in UK is less than 36 m.  |
| F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day? | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>F1: Please describe finding: Workers do not have any restriction to leave the site after their general working hours. In case of emergencies, they can leave the site providing notice.  |
| G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain            | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/> Not applicable<br>G1: If yes, please give details and category of workers affected: The factory has policies against forced / trafficked / bonded labour. Management provides training to raise awareness to reduce the risk of forced and/or trafficked labour. All employees are included in the training program during orientation. |
| H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?                    | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br>H1: Please describe finding: Factory had provided training and awareness session to all employees to reduce the risk of forced / trafficked labour.  |

| Non-compliance:  |   |
|--|---|
| <p><b>1. Description of non-compliance:</b></p> <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:<br>None Observed<br><b>Local law and/or ETI requirement:</b> Not Applicable<br><b>Recommended corrective action:</b> Not Applicable | <p><b>Objective evidence observed:</b><br/>                     (where relevant please add photo numbers)</p> <p>Not Applicable</p> |

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

| Good Examples observed: |
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| Description of Good Example (GE):<br>None Observed | <b>Objective evidence observed:</b><br>Not Applicable |
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**2: Freedom of Association and Right to Collective Bargaining are Respected**

[\(Click here to return to summary of findings\)](#)

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

**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:** The factory does not have labour union/collective bargaining agreements. Workers without distinction have the right to join or form trade unions of their own choosing and to bargain collectively. There are no restrictions by the factory or factory management to join the workers in union and to bargain collectively. The factory does not discriminate against workers who wish to join or to form the union. Factory has a policy for communication with employee. Existing counselling system consisting of HR personnel acts as worker representative who relay worker's expression to top management as desired. As per employees and management interview, workers have access to reach the upper level authority. Moreover, the factory has provided suggestion/complaint boxes which are easily accessible to all the workers. Factory has formed a Participation Committee (PC) as a parallel means through election basis and arrange regular meeting in every 02 months. Last meeting of the PC was held on November 21, 2021. The factory management has sent meeting minutes to labour department within seven days after completion the meeting. Thus, based on observation and employees interview during audit, it was noted that this factory is entirely in compliance with this section.

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

Details: Factory policy on freedom of association, participation committee meeting minutes

Any other comments: Nil

|  |   |
|--|---|
| <p>A: What form of worker representation/union is there on site?</p> | <p><input type="checkbox"/> Union (name)<br/> <input checked="" type="checkbox"/> Worker Committee<br/> <input type="checkbox"/> Other (specify)<br/> <input type="checkbox"/> None</p> |
| <p>B: Is it a legal requirement to have a union?</p>                 | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p>   |

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| C: Is it a legal requirement to have a worker's committee?   | <input checked="" type="checkbox"/> Yes<br><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<br><input type="checkbox"/> No<br>D1: Please give details: Welfare officer, pc committee, suggestion box<br><br>D2: Is there evidence of free elections?<br><input checked="" type="checkbox"/> Yes<br><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<br><input type="checkbox"/> No<br>E1: Please give details: Factory had formed workers participation committee as per law which was held on 26 <sup>th</sup> November 2020 by election.   |  |
| F: Name of union and union representative, if applicable:  | No union representative  | F1: Is there evidence of free elections?<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |
| G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?  | Yes. Participation Committee   | G1: Is there evidence of free elections?<br><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  | Participation committee members name with picture are posted in the notice board and production floor.                                       |
| I: Were worker representatives freely elected?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  | I1: Date of last election: 26 <sup>th</sup> November 2020  |
| J: Do workers know what topics can be raised with their representatives?   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |  |
| K: Were worker representatives/union representatives interviewed?  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>If <b>Yes</b> , please state how many: Interview was taken with two member of participation committee privately.  |  |
| L: Please describe any evidence that union/worker's committee is effective?<br><i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i> | Participation Committee of the factory was effective as they regularly hold the meeting. Last Workers participation committee meeting was held on 7 <sup>th</sup> April 2022. Last topic of the meeting was to increase the accommodation of child care facility, play holy Quran at morning, some fan in production floor need maintenance etc. |  |
| M: Are any workers covered by Collective Bargaining Agreement (CBA)?   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |  |
| If <b>Yes</b> , what percentage by trade Union/worker representation   | M1: <u>  0  </u> % workers covered by Union CBA  | M1: <u>  0  </u> % workers covered by Union CBA  |

|  |   |
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| M3: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>Not Applicable |
|--|---|

| Non-compliance:  |  |
|--|--|
| <b>1. Description of non-compliance:</b><br><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:<br>None Observed<br><br><b>Local law and/or ETI requirement:</b> Not Applicable<br><br><b>Recommended corrective action:</b> Not Applicable | <b>Objective evidence observed:</b><br>(where relevant please add photo numbers)<br><br>Not Applicable |

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

| Good Examples observed:                                       |   |
|---|---|
| <b>Description of Good Example (GE):</b><br><br>None Observed | <b>Objective evidence observed:</b><br><br>Not Applicable |

**3: Working Conditions are Safe and Hygienic**

[\(Click here to return to summary of findings\)](#)

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

**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:**

Factory's health and safety condition is favourable. It is well-lightened and well ventilated. Existing toilets are sufficient in number and are hygienic. Exit doors are clearly marked with emergency light and are easily accessible. There is floor mark along with posted evacuation plot plan. Sufficient number of fire equipment's is readily available which are inspected regularly. Adequate number of first aid trained person and fire fighter team is available in factory. Factory has sufficient well trained mechanics that back up smooth production and they have periodically maintenance schedule for each machine and keeping record accordingly. Fire drill is conducted under a designated safety officer. There is a medical centre for employees' health care in this factory. Potable water was freely available in all areas.

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

Details: Health & Safety, fire safety, chemical safety training records, policy, fire drill register, accident/injury/broken needle register and machines maintenance log, fire equipment maintenance records, building structure safety certificate, first Aid training records, chemical list and MSDS for each chemical, potable water testing certificates etc.

Any other comments: Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?

- Yes
- No

A1: Please give details: The factory have clearly defined general and occupational health and safety policies, fire safety policy procedures, emergency plans etc. These are communicated to the workers during orientation and monthly training. The last training was conducted on 27<sup>th</sup> April 2022.

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| <p>B: Are the policies included in workers' manuals?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     B1: Please give details: Policies are included in the workers' handbook.</p>  |
| <p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>   | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                     C1: Please give details: No additional structure without legal permit.</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<br/> <input type="checkbox"/> No<br/>                     D1: Please give details: According to the health and safety policy, the visitors were informed upon entry in the site.</p>  |
| <p>E: Is a medical room or medical facility provided for workers?<br/><br/>                     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<br/> <input type="checkbox"/> No<br/>                     E1: Please give details: The medical room complies the legal requirements. In addition, the facility had an agreement with a local hospital.</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<br/> <input type="checkbox"/> No<br/>                     F1: Please give details: Facility has appointed 02 Doctor and 01 nurse and 02 medical assistant for medical support.</p>  |
| <p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                     G1: Please give details: No transportation facility provided for the employees.</p>   |
| <p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/>                     H1: Please give details: Not applicable as the factory did not provide any living space to the workers.</p>   |
| <p>I: Are H&amp;S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>              | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     I1: Please give details: It was noted through documentation review, facility conducts Risk Assessment.</p>  |
| <p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>  | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                     J1: Please give details: The facility meets all legal obligations on environmental requirements Based on the most recent Environmental Parameter Level Assessment report, the facility's air emission and noise level are within local permitted limit.</p> |

|  |   |
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| <p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>K1: Please give details: The facility does not use banned chemicals and follows the entire customer requirement on environmental standard.</p> |
|--|---|

| <b>Non-compliance:</b>  |  |
|---|--|
| <p><b>1. Description of non-compliance:</b></p> <p><input checked="" type="checkbox"/> NC against ETI/Additional Elements      <input checked="" type="checkbox"/> NC against Local Law<br/> <input type="checkbox"/> NC against customer code:</p> <p>It was noted through the site tour that randomly checked</p> <p>a) Needle guards of 16 out of 20 sewing machines were found in displaced condition while operating the machines in the sewing section (1<sup>st</sup> to 4<sup>th</sup> &amp; 6<sup>th</sup> floor, building 1). Note that the facility has approximately 1,281 different types of sewing machines.</p> <p>b) D-ring (safety guard) was missing for 4 out of 4 snap button machines (6<sup>th</sup> floor, building 1).</p> <p><b>Local law and/or ETI requirement:</b><br/>           In accordance with Bangladesh Labor Law 2006, Section 63(d); unless the following machinery are in such position or of such construction as to be 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, (iii) every dangerous part of any machinery.</p> <p>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.</p> <p><b>Recommended corrective action:</b><br/>           It is recommended that the management should periodically monitor the machine safety guards are properly installed and used by the workers.</p> <p><b>Action by:</b> Mr. Md. Nasir Uddin- Asst. General Manager (Compliance)</p> <p><b>Timescale:</b> 30 days</p> <p><b>Verification Method:</b> Desktop</p> | <p><b>Objective evidence observed:</b><br/> <i>(where relevant please add photo numbers)</i></p> <p>Based on factory tour<br/>           Refer to NC photo form N/C-1, 2</p> |
| <p><b>2. Description of non-compliance:</b></p> <p><input checked="" type="checkbox"/> NC against ETI/Additional Elements      <input checked="" type="checkbox"/> NC against Local Law<br/> <input type="checkbox"/> NC against customer code:</p>   | <p><b>Objective evidence observed:</b><br/> <i>(where relevant please add photo numbers)</i></p>   |

It was noted that the last drinking water test report (Dated 02 January 2022 from BUET) pH was found 5.37 Whereas recommended level is (6.5-8.5), Total Coliform (TC) was found 30 CFU/100 ml whereas recommended level is (0) CFU/100 ml, However, all other parameters were found within the standard limit.

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

In accordance with The Labour Rules, 2015, Chapter-5, Section-50 (5) In case of the underground water or supplied in other way or tube well water, the owner should procure and preserve the certificate from public health engineering department of the government or any other organization approved by the government whether the water is free from arsenic and germs and drinkable or not at least once a year if directed by the inspector.

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.

**Recommended corrective action:**

It is recommended that management adopt practices and controls to ensure that the all tested parameters of drinking water meet the legal requirement.

**Action by:** Mr. Md. Nasir Uddin- Asst. General Manager (Compliance)

**Timescale:** 30 days

**Verification Method:** Desktop

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

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

It was noted through site tour, document review, and management interview that the facility has applied for increasing the load capacity of their generator waiver certificate on 23 March 2022 to the concerned authority but did not receive the certificate yet. The facility has discarded its one 242 kW capacity generator. Currently, the facility has 4 diesel generators (508 & 440 kW under Arunima Sports Wear Ltd. and 508 & 440 kW capacity under DMC Apparels Limited). The current generator waiver certificate is valid for 750 kW till 25 August 2022 and 948 kW till 13 September 2024 for Arunima and DMC respectively.

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

In accordance with the Bangladesh Energy Regulatory Commission Act, 2003 chapter-6, 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.

Based on Documents review.

**Objective evidence observed:**

*(where relevant please add photo numbers)*

Based on Documents review.



|   |  |
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| <p>In accordance with <b>the Bangladesh Energy Regulatory Commission Act, 2003 chapter-6, section 30</b>, Licence can be renewed, cancelled and revised by a process prescribed by regulation.</p> <p>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.</p> <p><b>Recommended corrective action:</b><br/>It is recommended that the facility should obtain the updated generator waiver certificate from the concerned authority.</p> <p><b>Action by:</b> Mr. Md. Nasir Uddin- Asst. General Manager (Compliance)</p> <p><b>Timescale:</b> 30 days</p> <p><b>Verification Method:</b> Desktop</p> |  |
|---|--|

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

| Good Examples observed:                                |   |
|--|---|
| <p>Description of Good Example (GE): None Observed</p> | <p><b>Objective evidence observed:</b> Not Applicable</p> |

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

[\(Click here to return to summary of findings\)](#)

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

**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:**

The facility has established a practice that they will never employ and use any child labour. The facility verifies all workers' original national ID card, birth certificate, school certificate etc. at the time of recruitment and keeps the photocopies of workers' ID cards, birth certificate in their personal files. Facility verifies the workers age through registered doctors. Sampling basis employees' personal files was taken for review. Each employee file included a bio-data sheet, recent photo, birth registration certificate / photo copied national identification card and other documents. There was no child or young employee observed in the facility.

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

Details: Factory policy, rules and regulations, employees' personnel files (medical certificate, job application, age documentation, contract paper) etc.

Any other comments: Nil

|  |  |
|--|--|
| A: Legal age of employment:  | 14+ years with significant restriction.  |
| B: Age of youngest worker found:   | 19 years   |
| C: Are there children present on the work floor but not working at the time of audit?                                  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |
| D: % of under 18's at this site (of total workers)   | 0 %  |
| E: Are workers under 18 subject to hazardous work assignments?<br><a href="#">(Go to clause 3 – Health and Safety)</a> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>E1: If yes, give details: Not Applicable |

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| Non-compliance:   |   |
|---|---|
| <p><b>1. Description of non-compliance:</b><br/> <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:<br/>                     None Observed</p> <p><b>Local law and/or ETI requirement:</b> Not Applicable</p> <p><b>Recommended corrective action:</b> Not Applicable</p> | <p><b>Objective evidence observed:</b><br/>                     (where relevant please add photo numbers)</p> <p>Not Applicable</p> |

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

| Good Examples observed:  |  |
|--|--|
| <p><b>Description of Good Example (GE):</b></p> <p>None Observed</p> | <p><b>Objective evidence observed:</b></p> <p>Not Applicable</p> |

**5: Living Wages are Paid**

[\(Click here to return to summary of findings\)](#)

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

**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:** Factory has policy to provide all kinds of compensation and benefits to the employees. Based on document review, workers and management interview, it was found that factory provides all kinds of compensation and benefits to the workers. Overtime wage double to basic as required by local law which is paid with monthly wage. Factory gives monthly wage slip to employees. Employees who can't read, counsellors educate them regarding wage and OT calculation wherein all deduction has been mentioned. According to the documents which were provided by the HR department and accounts department, and during the workers interview, it was noted that factory provides all kinds of leave. Maternity leave benefit, earned leave benefit, etc. are provided to the employees as per law. Moreover, employees were allowed to take 14 days sick leave; 10 days casual leave according to law. 62 out of 62 employees were confirmed that they were well known about the facility medical policy and get treatment from the facility doctor or contracted medical centre if needed. As per factory provided payroll records, factory had paid wages to the workers within 7<sup>th</sup> working days of following pay period. Factory had provide overtime wage to the workers as per local law, i.e. 200% of basic wage.

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

Details: Employee's salary sheets, pay slip, leave register, maternity register etc.

Any other comments: Nil

**Non-compliance:**

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

NC against ETI       NC against Local Law       NC against customer

code:

None Observed

**Objective evidence observed:**

*(where relevant please add photo numbers)*

|   |                |
|---|----------------|
| <b>Local law and/or ETI requirement:</b> Not Applicable | Not Applicable |
| <b>Recommended corrective action:</b> Not Applicable    |                |

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

|   |   |
|---|---|
| <b>Good Examples observed:</b>  |   |
| <b>Description of Good Example (GE):</b>  | <b>Objective evidence observed:</b>               |
| <p>1. Facility provides attendance bonus (BDT. 500) for all employees.</p> <p>2. Facility provides allowance (BDT. 50) to all fire fighter, rescuer and first aider member.</p> | Payroll review, management and workers' interview |

### Summary Information

| Criteria   | Local Law<br><i>(Please state legal requirement)</i>   | Actual at the Site<br><i>(Record site results against the law)</i>  | Is this part of a Collective Bargaining Agreement?  |
|--|--|---|---|
| A: Standard/Contracted work hours:<br><i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i> | Legal maximum:<br>08 hours per day<br>48 hours per week  | A1: 08 hours per day<br>48 hours per week   | A2:<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>(Not mandatory by Local Law) |
| B: Overtime hours:<br><i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>  | Legal maximum:<br>04 hours per day<br>24 hours per week<br>(With legal waiver from 17th April 2022 to 16th October 2022) | B1:<br><b>March 2022 (Latest pay period):</b><br>08 hours/day, 36 hours/week<br><br><b>November 2021 (Random month-1):</b><br>04 hours/day, 24 hours/week<br><br><b>June 2021 (Random month-2):</b> | B2:<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>(Not mandatory by Local Law) |

|   |  |   |  |
|---|--|---|--|
|   |  | 12 hours/day,<br>42 hours/week                          |  |
| C: Wage for standard/contracted hours:<br><i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i> | Legal Minimum:<br>Monthly Tk- 8000<br>for assistant<br>operators (As<br>per gazette) | C1: Monthly Tk-<br>8000/- for<br>assistant<br>operators | C2:<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br>(Not mandatory<br>by Local Law) |
| D: Overtime wage:<br><i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>             | Legal minimum:<br>Per hour 200% of<br>basic hourly rate                              | D1: Per hour<br>200% of basic<br>hourly rate            | D2:<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No                                    |

| <b>Wages analysis:</b><br><a href="#">(Click here to return to Key Information)</a>   |   |                                |                  |                                |              |                          |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
|---|---|--------------------------------|------------------|--------------------------------|--------------|--------------------------|--------------|--------------------------|---------|-------|------|-----|-----|-----|-------|---------|------|------|-----|-----|-----|-------|---------|------|------|-----|-----|-----|------|---------|------|------|-----|-----|-----|------|---------|------|------|-----|-----|-----|------|---------|------|------|-----|-----|-----|------|---------|------|------|-----|-----|-----|------|
| A: Were accurate records shown at the first request?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |                                |                  |                                |              |                          |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
| A1: If <b>No</b> , why not?   | Not applicable  |                                |                  |                                |              |                          |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
| B: Sample Size Checked<br><i>(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)</i> | 62 samples from March 2022 (Current month)<br>62 samples from November 2021 (Random month)<br>62 samples from June 2021 (Random month)  |                                |                  |                                |              |                          |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
| C: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><p>C1: If <b>Yes</b>, please give details: C1:<br/>The Government announced pay structure on 24th January 2019 for the workers of the Garments Industries with effect from December 2018.</p> <p><b>For the worker level employees:</b></p> <table border="1"> <thead> <tr> <th>Grades</th> <th>Basic wage (BDT)</th> <th>House rent (50% x basic) (BDT)</th> <th>Meal (BDT)</th> <th>Medical (BDT)</th> <th>Travel (BDT)</th> <th>Gross Monthly wage (BDT)</th> </tr> </thead> <tbody> <tr> <td>Grade 1</td> <td>10938</td> <td>5469</td> <td>900</td> <td>600</td> <td>350</td> <td>18257</td> </tr> <tr> <td>Grade 2</td> <td>9044</td> <td>4522</td> <td>900</td> <td>600</td> <td>350</td> <td>15416</td> </tr> <tr> <td>Grade 3</td> <td>5330</td> <td>2665</td> <td>900</td> <td>600</td> <td>350</td> <td>9845</td> </tr> <tr> <td>Grade 4</td> <td>4998</td> <td>2499</td> <td>900</td> <td>600</td> <td>350</td> <td>9347</td> </tr> <tr> <td>Grade 5</td> <td>4683</td> <td>2342</td> <td>900</td> <td>600</td> <td>350</td> <td>8875</td> </tr> <tr> <td>Grade 6</td> <td>4380</td> <td>2190</td> <td>900</td> <td>600</td> <td>350</td> <td>8420</td> </tr> <tr> <td>Grade 7</td> <td>4100</td> <td>2050</td> <td>900</td> <td>600</td> <td>350</td> <td>8000</td> </tr> </tbody> </table> | Grades                         | Basic wage (BDT) | House rent (50% x basic) (BDT) | Meal (BDT)   | Medical (BDT)            | Travel (BDT) | Gross Monthly wage (BDT) | Grade 1 | 10938 | 5469 | 900 | 600 | 350 | 18257 | Grade 2 | 9044 | 4522 | 900 | 600 | 350 | 15416 | Grade 3 | 5330 | 2665 | 900 | 600 | 350 | 9845 | Grade 4 | 4998 | 2499 | 900 | 600 | 350 | 9347 | Grade 5 | 4683 | 2342 | 900 | 600 | 350 | 8875 | Grade 6 | 4380 | 2190 | 900 | 600 | 350 | 8420 | Grade 7 | 4100 | 2050 | 900 | 600 | 350 | 8000 |
| Grades  | Basic wage (BDT)  | House rent (50% x basic) (BDT) | Meal (BDT)       | Medical (BDT)                  | Travel (BDT) | Gross Monthly wage (BDT) |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
| Grade 1   | 10938   | 5469                           | 900              | 600                            | 350          | 18257                    |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
| Grade 2   | 9044  | 4522                           | 900              | 600                            | 350          | 15416                    |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
| Grade 3   | 5330  | 2665                           | 900              | 600                            | 350          | 9845                     |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
| Grade 4   | 4998  | 2499                           | 900              | 600                            | 350          | 9347                     |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
| Grade 5   | 4683  | 2342                           | 900              | 600                            | 350          | 8875                     |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
| Grade 6   | 4380  | 2190                           | 900              | 600                            | 350          | 8420                     |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |
| Grade 7   | 4100  | 2050                           | 900              | 600                            | 350          | 8000                     |              |                          |         |       |      |     |     |     |       |         |      |      |     |     |     |       |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |         |      |      |     |     |     |      |

|  |   | Apprentice   | 2750  | 1375 | 900 | 600 | 350 | 5975  |
|--|---|--|---|------|-----|-----|-----|---|
| D: If there are different legal minimum grades, are all workers graded and paid correctly?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/><br>N/A   | D1: If <b>No</b> , please give details:  |   |      |     |     |     |   |
| E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? | <input type="checkbox"/> Below legal min<br><input checked="" type="checkbox"/> Meet<br><input type="checkbox"/> Above  | E1: Lowest actual wages found:<br>Lowest gross salary is 8000 BDT which Meets minimum legal wage (As per new pay structure announced on 24th January 2019) |   |      |     |     |     |   |
| F: Please indicate the breakdown of workforce per earnings:  | F1: <u>0</u> % of workforce earning under minimum wage<br>F2: <u>8</u> % of workforce earning minimum wage<br>F3: <u>92</u> % of workforce earning above minimum wage   |  |   |      |     |     |     |   |
| G: Bonus Scheme found: Please specify details:   | Bonus Scheme found:<br>Festival bonus: 100% of gross wage twice per year who have completed 01 year.<br>Attendance Bonus: Facility provides attendance bonus to all employees as per company policy.  |  |   |      |     |     |     |   |
| H: What deductions are required by law e.g. social insurance? Please state all types:  | As per section 125 of the Bangladesh Labour Law, 2006, facility may deduct wages for un-authorized absence, for fines, housing facility, advance payments, loans, income tax, provident fund, etc.<br>As per Bangladesh Stamp Act 1899 (Amendment 2010) factory may deduct BDT 10 for Government Revenue Stamp. |  |   |      |     |     |     |   |
| I: Have these deductions been made?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  | I1: Please list all deductions that <b>have</b> been made.   | 1. Un-authorized absence  |      |     |     |     |   |
|  |   | I2: Please list all deductions that <b>have not</b> been made.   | 1. For fines,<br>2. housing facility<br>3. Advance payments<br>4. loans,<br>5. income tax<br>6. Revenue Stamp |      |     |     |     | Please describe: Facility does not deduct the above as they are not required. |

|   |  |   |
|---|--|---|
| <p>J: Were appropriate records available to verify hours of work and wages?</p>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |   |
| <p>K: Were any inconsistencies found? (if yes describe nature)</p>  | <input type="checkbox"/> Yes<br><br><input checked="" type="checkbox"/> No   | <p>K1: Type</p> <input type="checkbox"/> Poor record keeping<br><input type="checkbox"/> Isolated incident<br><input type="checkbox"/> Repeated occurrence: |
| <p>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)</p>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><p>L1: Please give details: The facility shows all real records which reflect all scenarios.</p>   |   |
| <p>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></p> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><p>M1: Please specify amount/time: Facility did not define living wages as it is not required by law.</p>  |   |
| <p>M2: If yes, what was the calculation method used.</p>  | <input type="checkbox"/> ISEAL/Anker Benchmarks<br><input type="checkbox"/> Asia Floor Wage<br><input type="checkbox"/> Figures provided by Unions<br><input type="checkbox"/> Living Wage Foundation UK<br><input type="checkbox"/> Fair Wear Wage Ladder<br><input type="checkbox"/> Fairtrade Foundation<br>Other – please give details: Not applicable |   |
| <p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><p>N1: Please give details: Please give details: At least 5% of basic wages shall be increased.</p>  |   |
| <p>O: Are workers paid in a timely manner in line with local law?</p>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |   |
| <p>P: Is there evidence that equal rates are</p>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |   |



|                                   |   |
|-----------------------------------|---|
| <p>being paid for equal work:</p> | <p>P1: Please give details: Through payroll records review and employees' interviews, it was confirmed that equal rates are being paid for equal work.</p>  |
| <p>Q: How are workers paid:</p>   | <p> <input checked="" type="checkbox"/> Cash<br/> <input type="checkbox"/> Cheque<br/> <input type="checkbox"/> Bank Transfer<br/> <input type="checkbox"/> Other<br/>           Q1: If other, please explain:         </p> |

**6: Working Hours are not Excessive**

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**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:**

In this audit, auditor had randomly selected production record, such as: Material in/out records, daily production reports, and crosschecked these records with payroll records and attendance records, no inconsistency was noted. In addition, through employees' interviews, no inconsistency was noted either. Through employees' interview, overtime is voluntary. Time record system is maintained by electronic recording system. All overtime is compensated at a premium rate for all employees.

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

Details: Factory policy, rules and regulations, official notice copies, attendance & payroll records, production records etc.

Any other comments: Nil

| <b>Non-compliance:</b>  |   |
|---|---|
| <p><b>1. Description of non-compliance:</b></p> <p><input checked="" type="checkbox"/> NC against ETI/Additional Elements      <input checked="" type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>It was noted through attendance records, payroll record review, and workers interview that weekly working hours exceeded the legal limit and ETI requirement in the cutting, sewing, finishing, quality, packing, and admin sections. A total of 62 workers was randomly sampled and their overtime work detail is summarized below:</p> <p>a) In March 2022 (Recent Paid Month),</p> <p>I) 2 workers have worked 69 hours (48 hours regular+21 hours overtime) to 70 hours (48 hours regular+22 hours overtime) in a week which violates ETI but complies with legal requirements.</p> <p>II) 60 workers have worked 73 hours (48 hours regular+25 hours overtime) to 84 hours (48 hours regular+36 hours overtime) in a week which violates both ETI and legal requirements.</p> <p>b) In November 2021 (Random Paid Month),</p> <p>62 workers have worked 61 hours (48 hours regular+13 hours overtime) to 72 hours (48 hours regular+24 hours overtime) in a week which violates ETI but complies with legal requirements.</p> <p>c) In June 2021 (Random Paid Month),</p> <p>I) 14 workers have worked 63 hours (48 hours regular+15 hours overtime) to 72 hours (48 hours regular+24 hours overtime) in a week which violates ETI but complies with legal requirements.</p> <p>II) 48 workers have worked 73 hours (48 hours regular+25 hours overtime) to 90 hours (48 hours regular+42 hours overtime) in a week which violates both ETI and legal requirements.</p> <p><b>Local law and/or ETI requirement:</b></p> <p>In accordance with Bangladesh Labor Law, 2006, Section 102 (2), the total hours of work of an adult worker shall not exceed sixty hours in any week and on the average fifty six hours per week in any year.</p> <p>In accordance with Bangladesh Labor Law, 2006, Section 102 (2), the total hours of work of an adult worker shall not exceed sixty hours in any week and on the average fifty six hours per week in any year.</p> <p>In accordance with the Notification from Ministry of Labor and Employment of The People's Republic of Bangladesh, No 40.00.0000.016.30.008.17.49, (Part 1) 258, Dated on 11<sup>th</sup> May 2022, for public interest, by dint of the given power of Bangladesh Labor Code 2006 (Law 42, 2006), section 324, Government has given remission to "Bangladesh Export Oriented Readymade Garment Industry" for 6 (six) months from the date of the execution of this notification on the basis of the following conditions of the law section 100 &amp; 102</p> | <p><b>Objective evidence observed:</b></p> <p><i>(where relevant please add photo numbers)</i></p> <p>Based on documents review &amp; interview</p> |

Conditions: (1) According to the current law, double of the ordinary rate of wages will be paid due to the additional time for work (2) Without consent, no worker will be said to work in any working day for doing work more than additional 4 (four) hours. (3) Weekly holyday will be provided as usual

In accordance with the ETI base code of 6.4, The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

**Recommended corrective action:**

It is recommended that management adopt practices and controls to ensure that employees are not allowed to work hours in excess of the ETI and legal requirements.

**Action by:** Mr. Md. Nasir Uddin- Asst. General Manager (Compliance)

**Timescale:** 60 days

**Verification Method:** Follow Up

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

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

It was noted through attendance records, payroll record review, and workers' interviews that daily working hours exceeded the legal limit of 12 hours (regular + overtime) in the cutting, finishing, quality, and packing sections. A total of 62 workers was randomly sampled and their overtime work detail is summarized below:

- a) In March 2022 (Recent Paid Month), 13 out of 62 workers have worked 13 hours (8 hours regular+5 hours overtime) to 16 hours (8 hours regular+8 hours overtime) in a day.
- b) In June 2021 (Random Paid Month), 12 out of 62 workers have worked 15 hours (8 hours regular+7 hours overtime) to 20 hours (8 hours regular+12 hours overtime) in a day.

Note that, the maximum daily working hours did not exceed 12 hours in total (regular + overtime) in November 2021 (random paid month).

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

In accordance with Bangladesh Labour Law, 2006, Section 102 (1), no adult worker shall be required or allowed to work in a factory for more than forty eight hours in any week. In accordance with Bangladesh Labour Law, 2006, Section 102 (2), the total hours of work of an adult worker shall not exceed sixty hours in any week and on the average fifty six hours per week in any year. In accordance with Bangladesh Labour Law, 2006, chapter 9, Section 100 & 108, an adult worker shall not work for more than eight hours daily but as per section 108 he/she can perform daily not more than ten hours. Where a worker works in

**Objective evidence observed:**

*(where relevant please add photo numbers)*

Based on documents review & interview

a factory more than mentioned in this law in any day or week, he shall, in respect of overtime work, be entitled to allowance at the rate of twice his ordinary rate of basic wages, dearness allowances and adhoc or interim wages (if any).

In accordance with the Notification from Ministry of Labor and Employment of The People's Republic of Bangladesh, No 40.00.0000.016.30.008.17.49, (Part 1) 258, Dated on 11<sup>th</sup> May 2022, for public interest, by dint of the given power of Bangladesh Labor Code 2006 (Law 42, 2006), section 324, Government has given remission to "Bangladesh Export Oriented Readymade Garment Industry" for 6 (six) months from the date of the execution of this notification on the basis of the following conditions of the law section 100 & 102

Conditions: (1) According to the current law, double of the ordinary rate of wages will be paid due to the additional time for work (2) Without consent, no worker will be said to work in any working day for doing work more than additional 4 (four) hours. (3) Weekly holyday will be provided as usual

**Recommended corrective action:**

It is recommended that management adopt practices and controls to ensure that employees are not allowed to work hours in excess of the legal limit of 12 hours in a day.

**Action by:** Mr. Md. Nasir Uddin- Asst. General Manager (Compliance)

**Timescale:** 60 days

**Verification Method:** Follow Up

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

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

It was noted through attendance record and payment record review, management, and worker interview that 2 days off in every 14-day period was not ensured as per ETI requirement in the cutting, sewing, quality, finishing, packing, and admin sections. The detail is summarized below:

a) June 2021 (Random paid month): 56 out of 62 sampled workers have worked consecutive 13 days in a row without having a weekend. Note that the facility was open on weekly holidays of 11 and, 25 June 2021. The facility compensated those holidays with the festival holidays of Eid-UI-Fitr.

Note that no weekly holiday work was found in the month of November 2021 (Random paid month) and 2 days off in every 14-day period was ensured for the month of March 2022 (recent paid month).

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

**Objective evidence observed:**

*(where relevant please add photo numbers)*

Based on documents review & interview

|  |  |
|--|--|
| <p>In accordance with ETI requirement 6.6, workers shall be provided with at least one day off in every seven day period or where allowed by national law, two days off in every 14 days period.</p> <p><b>Recommended corrective action:</b><br/>It is recommended that the management adopt practices and controls to ensure that, employees are to be received off days as per ETI requirements.</p> <p><b>Action by:</b> Mr. Md. Nasir Uddin- Asst. General Manager (Compliance)</p> <p><b>Timescale:</b> 60 days</p> <p><b>Verification Method:</b> Follow Up</p> |  |
|--|--|

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

| Good Examples observed:                                       |  |
|---|--|
| <p>Description of Good Example (GE):</p> <p>None Observed</p> | <p><b>Objective evidence observed:</b></p> <p>Not Applicable</p> |

| Working hours' analysis   |   |
|---|---|
| <p>Please include time e.g. hour/week/month<br/><i>(Go back to Key information)</i></p> |   |
| Systems & Processes   |   |
| <p>A. What timekeeping systems are used: time card etc.</p>                             | <p>Describe: Electronic time recording system</p>   |
| <p>B: Is sample size same as in wages section?</p>                                      | <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/>B1: If no, please give details</p>   |
| <p>C: Are standard/contracted working hours defined in <b>all</b></p>                   | <p><input checked="" type="checkbox"/> Yes<br/><input type="checkbox"/> No<br/>C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.<br/>Please give details:</p> |

|  |  |  |                                |                                    |                                |                                |
|--|--|--|--------------------------------|------------------------------------|--------------------------------|--------------------------------|
| contracts/employment agreements?   |  |  |                                |                                    |                                |                                |
| D: Are there any other types of contracts/employment agreements used?  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   | <p>D1: If YES, please complete as appropriate:</p> <table border="1" data-bbox="699 369 1450 457"> <tr> <td><input type="checkbox"/> 0 hrs</td> <td><input type="checkbox"/> Part time</td> <td><input type="checkbox"/> 0 hrs</td> <td><input type="checkbox"/> Other</td> </tr> </table> <p>If "Other", Please define:</p> <p>Not applicable</p> | <input type="checkbox"/> 0 hrs | <input type="checkbox"/> Part time | <input type="checkbox"/> 0 hrs | <input type="checkbox"/> Other |
| <input type="checkbox"/> 0 hrs   | <input type="checkbox"/> Part time   | <input type="checkbox"/> 0 hrs   | <input type="checkbox"/> Other |                                    |                                |                                |
| E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   | <p>E1: If <b>yes</b>, please detail hours, %, types of workers affected and frequency<br/>         Please give details: Not applicable</p>   |                                |                                    |                                |                                |
| F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?                    | <p>F2: Please select all applicable:</p> <input type="checkbox"/> 1 in 7 days<br><input type="checkbox"/> 2 in 14 days<br><input checked="" type="checkbox"/> No<br>If 'No', please explain:<br>2 days off in every 14-day period was not ensured as per ETI requirement in the cutting, sewing, quality, finishing, packing, and admin sections. The detail is summarized below:<br>a) June 2021 (Random paid month): 56 out of 62 sampled workers have worked consecutive 13 days in a row without having a weekend in June 2021 | <p>F3: Is this allowed by local law?</p> <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |                                |                                    |                                |                                |

|   |  |   |
|---|--|---|
|   | (Random paid month). Note that the facility was open on weekly holidays of 11 and, 25 June 2021. The facility compensated those holidays with the festival holidays of Eid-UI-Fitr.                                      |   |
|   | Maximum number of days worked without a day off (in sample):   |   |
|   | 13   |   |
| <b>Standard/Contracted Hours worked</b>   |  |   |
| G: Were standard working hours over 48 hours per week found?  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   | G1: If yes, % of workers & frequency:<br><br>Not applicable   |
| H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?     | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   | H1: If yes, please give details:<br><br>Daily 4 hours/ weekly 24 hours (waiver from 17th April 2022 to 16th October 2022) |
| <b>Overtime Hours worked</b>  |  |   |
| I: Actual overtime hours worked in sample (State per day/week/month)                                    | Highest OT hours:<br>08 hours/day, 36 hours/week in March 2022 (Latest pay period)<br><br>04 hours/day, 24 hours/week in November 2021 (Random month-1)<br><br>12 hours/day, 42 hours/week in June 2021 (Random month-2) |   |
| J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details: | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |   |
| K: Approximate percentage of total  | __37__%  |   |



|  |   |  |
|--|---|--|
| workers on highest overtime hours:   |   |  |
| L: Is overtime voluntary?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/> Conflicting Information  | <i>L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</i> The factory has working hour policy stating the overtime hours shall be voluntary only. Based on workers interview, all overtime hours are performed with the consent of workers. |
| <b>Overtime Premiums</b>   |   |  |
| M: Are the correct legal overtime premiums paid?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input type="checkbox"/> N/A – there is no legal requirement to OT premium  | <i>M1: Please give details of normal day overtime premium as a % of <b>standard</b> wages:</i> Factory had provided 200% of basic wages as overtime rate.  |
| N: Is overtime paid at a premium?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  | <i>N1: If yes, please describe % of workers &amp; frequency:</i> Factory had provided 200% of basic wages as overtime rate to all workers.   |
| O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. | <input type="checkbox"/> No<br><input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium)<br><input type="checkbox"/> Collective Bargaining agreements<br><input type="checkbox"/> Other<br>Not applicable as factory had provided 200% of basic wages as overtime rate.  |  |
|  | O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other   |  |
|  | Not Applicable (Factory provided 200% of basic wages as overtime rate)  |  |
| P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.               | Not Applicable<br><br><input checked="" type="checkbox"/> <b>Overtime is voluntary</b><br><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week<br><input type="checkbox"/> Safeguards are in place to protect worker's health and safety<br><input type="checkbox"/> Site can demonstrate exceptional circumstances<br><input type="checkbox"/> Other reasons (please specify) |  |
|  | P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:  |  |
|  | All employees found working voluntarily during audit in the factory.  |  |

|  |   |
|--|---|
| <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<br/> <input checked="" type="checkbox"/> No<br/>           Q1: If yes, please give details:         </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<br/> <input type="checkbox"/> No         </p>   |

**7: No Discrimination is Practiced**

[\(Click here to return to summary of findings\)](#)

**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:**

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. Gender discrimination was also absent in the facility; both female and male workers were distributed in all types of work. There was no evidence of sexual harassment. There was an internal grievance process, all sampled employees were aware of the grievance channels in case they encountered any discrimination cases. The factory provides the same wage amount to male/female employees of the same rank. There is no restriction for formation of trade union in the factory.

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

Details: Factory policy, rules and regulations, employees' personnel files, training records, etc.

Any other comments: Nil

|   |   |
|---|---|
| <p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>  | <p>A1: Male: <u>90</u> %<br/>A2: Female <u>10</u> %</p>   |
| <p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>   | <p>0</p>  |
| <p>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?:</p> | <p> <input type="checkbox"/> Hiring<br/> <input type="checkbox"/> Compensation<br/> <input type="checkbox"/> Access to training<br/> <input type="checkbox"/> Promotion<br/> <input type="checkbox"/> Termination or retirement<br/> <input checked="" type="checkbox"/> No evidence of discrimination found         </p> |

|  |  |
|--|--|
|  | C1: Please give details: Based on workers' interview and their personal file reviewing, no evidence of discrimination was found. |
|--|--|

**Professional Development**

|   |   |
|---|---|
| A: What type of training and development are available for workers? | The facility provides on job training for the selected workers in their training section. After completion of training the workers are evaluated through exams. |
|---|---|

|  |   |
|--|---|
| B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>If no, please give details: |
|--|---|

| Non-compliance:   |  |
|---|--|
| <p><b>1. Description of non-compliance:</b><br/> <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:<br/>                 None Observed</p> <p><b>Local law and/or ETI requirement:</b> Not Applicable</p> <p><b>Recommended corrective action:</b> Not Applicable</p> | <p><b>Objective evidence observed:</b><br/> <i>(where relevant please add photo numbers)</i></p> <p>Not Applicable</p> |

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

**Good Examples observed:**

---

|  |   |
|--|---|
| Description of Good Example (GE):<br>None Observed | <b>Objective evidence observed:</b><br>Not Applicable |
|--|---|

**8: Regular Employment Is Provided**

[\(Click here to return to summary of findings\)](#)

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

**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:**

All workers were recruited by the factory directly. No labour agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditors. No subcontractors were used. All employees are getting signed labour contract and ID card during their recruitment. Facility maintains service books for all employees.

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

Details: Factory policy, rules and regulations, employees' personnel files, employees' ID card, pay slips etc.

Any other comments: Nil

**Non-compliance:**

|   |   |
|---|---|
| <p><b>1. Description of non-compliance:</b><br/> <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:<br/>                 None Observed</p> <p><b>Local law and/or ETI requirement:</b> Not Applicable</p> <p><b>Recommended corrective action:</b> Not Applicable</p> | <p><b>Objective evidence observed:</b><br/>                 (where relevant please add photo numbers)</p> <p>Not Applicable</p> |
|---|---|

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

| Good Examples observed:                                |  |
|--|--|
| <p>Description of Good Example (GE): None Observed</p> | <p><b>Objective evidence observed:</b></p> <p>Not Applicable</p> |

**Responsible Recruitment**

| All Workers   |  |
|---|--|
| <p>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?</p> | <p><input checked="" type="checkbox"/> Terms &amp; Conditions presented<br/> <input checked="" type="checkbox"/> Understood by workers<br/> <input checked="" type="checkbox"/> Same as actual conditions</p> <p>A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:</p> |
| <p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>   | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No</p> <p>B1: If yes, please describe details and specific category(ies) of workers affected:</p>   |

|                                  |   |
|----------------------------------|---|
| C: If yes, check all that apply: | <input type="checkbox"/> Recruitment / hiring fees<br><input type="checkbox"/> Service fees<br><input type="checkbox"/> Application costs<br><input type="checkbox"/> Recommendation fees<br><input type="checkbox"/> Placement fees<br><input type="checkbox"/> Administrative, overhead or processing fees<br><input type="checkbox"/> Skills tests<br><input type="checkbox"/> Certifications<br><input type="checkbox"/> Medical screenings<br><input type="checkbox"/> Passports/ID's<br><input type="checkbox"/> Work / resident permits<br><input type="checkbox"/> Birth certificates<br><input type="checkbox"/> Police clearance fees<br><input type="checkbox"/> Any transportation and lodging costs after employment offer<br><input type="checkbox"/> Any transport costs between work place and home<br><input type="checkbox"/> Any relocation costs after commencement of employment<br><input type="checkbox"/> New hire training / orientation fees<br><input type="checkbox"/> Medical exam fees<br><input type="checkbox"/> Deposit bonds or other deposits<br><input type="checkbox"/> Any other non-monetary assets<br><input type="checkbox"/> Other –<br>C1: If other, please give details:<br>Not Applicable. |
| D: If any checked, give details: | Not Applicable.   |

| <b>Migrant Workers:</b>   |  |
|---|--|
| <i>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 or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i> |  |
| A: Type of work undertaken by migrant workers:  | Not applicable as no migrant worker found in this factory.   |
| B: Please give details about recruitment agencies for migrant workers:  | B1: Total number of (in country recruitment agencies) used: B1:<br>Total number of (in country recruitment agencies) used: Not applicable<br><br>B2: Total number of (outside of local country) recruitment agencies used: Not applicable as factory had recruited all workers directly. |
| C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>C1: Please describe finding:  |
| D: Are Any migrant workers in skilled, technical, or management roles   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>D1: If yes, number and example of roles: N/A  |



|  |  |
|--|--|
| <p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p> |  |
|--|--|

**NON-EMPLOYEE WORKERS**

| <b>Recruitment Fees:</b>         |   |
|----------------------------------|---|
| A: Are there any fees?           | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |
| B: If yes, check all that apply: | <input type="checkbox"/> Recruitment / hiring fees<br><input type="checkbox"/> Service fees<br><input type="checkbox"/> Application costs<br><input type="checkbox"/> Recommendation fees<br><input type="checkbox"/> Placement fees<br><input type="checkbox"/> Administrative, overhead or processing fees<br><input type="checkbox"/> Skills tests<br><input type="checkbox"/> Certifications<br><input type="checkbox"/> Medical screenings<br><input type="checkbox"/> Passports/ID's<br><input type="checkbox"/> Work / resident permits<br><input type="checkbox"/> Birth certificates<br><input type="checkbox"/> Police clearance fees<br><input type="checkbox"/> Any transportation and lodging costs after employment offer<br><input type="checkbox"/> Any transport costs between work place and home<br><input type="checkbox"/> Any relocation costs after commencement of employment<br><input type="checkbox"/> New hire training / orientation fees<br><input type="checkbox"/> Medical exam fees<br><input type="checkbox"/> Deposit bonds or other deposits<br><input type="checkbox"/> Any other non-monetary assets<br><input type="checkbox"/> Other<br><br>B1 – If other, please give details:<br>Not applicable, no fees required |
| C: If any checked, give details: | Not applicable, no fees required  |

| <b>Agency Workers (if applicable)</b>  |   |
|--|---|
| <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):  | A1: Names if available: Not applicable as factory had recruited all workers directly. |
| B: Were agency workers' age / pay / hours included within the scope of this audit?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>Not Applicable         |
| C: Were sufficient documents for agency workers available for review?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>Not Applicable         |

|  |   |
|--|---|
| <p>D: Is there a legal contract / agreement with all agencies?</p>   | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>Not Applicable</p> <p>D1: Please give details: Not Applicable</p> |
| <p>E: Does the site have a system for checking labour standards of agencies?<br/>         If yes, please give details.</p> | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>E1: Please give details: Not Applicable</p>                       |

|   |   |
|---|---|
| <p><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<br/> <input checked="" type="checkbox"/> No</p> <p>A1: If yes, how many contractors are present, please give details:</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<br/> <input type="checkbox"/> No</p> <p>C1: Please describe finding: Not applicable</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**

[\(Click here to return to summary of findings\)](#)

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

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:**

No Sub-contracting and Home-working was used by this facility.

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

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

|                              |                  |                  |
|------------------------------|------------------|------------------|
| <i>Process Subcontracted</i> | <i>Process 1</i> | <i>Process 2</i> |
| <i>Name of factory</i>       |                  |                  |
| <i>Address</i>               |                  |                  |
| <i>Process Subcontracted</i> | <i>Process 3</i> | <i>Process 4</i> |
| <i>Name of factory</i>       |                  |                  |
| <i>Address</i>               |                  |                  |
| <i>Process Subcontracted</i> | <i>Process 5</i> | <i>Process 6</i> |
| <i>Name of factory</i>       |                  |                  |
| <i>Address</i>               |                  |                  |

Details: Shipment record, Goods in and out register, Production record, Goods in and out gate pass / records etc.

**Non-compliance:**

|   |   |
|---|---|
| <p><b>1. Description of non-compliance:</b><br/> <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:<br/>                 None Observed</p> <p><b>Local law and/or ETI requirement:</b> Not Applicable</p> <p><b>Recommended corrective action:</b> Not Applicable</p> | <p><b>Objective evidence observed:</b><br/>                 (where relevant please add photo numbers)</p> <p>Not Applicable</p> |
|---|---|

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

| Good Examples observed:                                       |  |
|---|--|
| <p>Description of Good Example (GE):</p> <p>None Observed</p> | <p><b>Objective evidence observed:</b></p> <p>Not Applicable</p> |

| Summary of sub-contracting – if applicable  |   |
|---|---|
| <input checked="" type="checkbox"/> Not Applicable please x   |   |
| <p>A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting</p> | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 A1: Please describe:</p>                  |
| <p>B: If sub-contractors are used, is there evidence this has been agreed with the main client?</p>   | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 B1: If <b>Yes</b>, summarise details:</p> |
| <p>C: Number of sub-contractors/agents used:</p>  |   |
| <p>D: Is there a site policy on sub-contracting?</p>  | <p><input type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/>                 D1: If <b>Yes</b>, summarise details:</p> |

|   |  |
|---|--|
| E: What checks are in place to ensure no child labour is being used and work is safe? |  |
|---|--|

|  |
|--|
| <b>Summary of homeworking – if applicable</b><br><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<br><input type="checkbox"/> No<br>A1: If <b>Yes</b> , summarise details: |  |  |
|---|---|--|--|

|                          |           |             |        |
|--------------------------|-----------|-------------|--------|
| B: Number of homeworkers | B1: Male: | B2: Female: | Total: |
|--------------------------|-----------|-------------|--------|

|   |  |  |
|---|--|--|
| C: Are homeworkers employed direct or through agents? | <input type="checkbox"/> Directly<br><input type="checkbox"/> Through Agents | C1: If through agents, number of agents: |
|   |  |  |

|   |   |  |  |
|---|---|--|--|
| D: Is there a site policy on homeworking? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |  |  |
|---|---|--|--|

|   |  |
|---|--|
| E: How does the site ensure worker hours and pay meet local laws for homeworkers? |  |
|---|--|

|   |  |
|---|--|
| F: What processes are carried out by homeworkers? |  |
|---|--|

|  |   |  |  |
|--|---|--|--|
| G: Do any contracts exist for homeworkers? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>G1: Please give details: |  |  |
|--|---|--|--|

|   |   |  |  |
|---|---|--|--|
| H: Are full records of homeworkers available at the site? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No |  |  |
|---|---|--|--|

**9: No Harsh or Inhumane Treatment is Allowed**  
[\(Click here to return to summary of findings\)](#)

**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

|   |  |
|---|--|
| <p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>                     | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> A1: Please give details: Facility has an open channel for reporting any violations of labour standard which is posted in the notice board and production floor. Facility provided complaint box in every wash room for receiving complain. Workers can report any violations directly to the compliance manager. Facility also has a grievance handling procedure in place.</p>                               |
| <p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>  | <p>All the workers are aware of these channels and have full access to these channels. Facility also has a grievance handling procedure posted with every complaint box.</p>   |
| <p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>   | <p>Facility has posted hotline &amp; provided complaint box in wash room.</p>  |
| <p>D: Which of the following groups is there a grievance mechanism in place for?</p>  | <p><input checked="" type="checkbox"/> Workers<br/> <input type="checkbox"/> Communities<br/> <input type="checkbox"/> Suppliers<br/> <input type="checkbox"/> Other<br/> D1: Please give details: All workers were aware of these processes; suggestion box was known by the workers. Also workers can share their problem with drop their complaints into suggestion box and even go to the top management. Moreover, factory has a system to open suggestion box once in every 15 days.</p> |
| <p>E: Are there any open disputes?</p>  | <p><input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No<br/> E1: If yes, please give details</p>   |
| <p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No<br/> F1: If no, please give details</p>  |

|  |  |
|--|--|
| <p>G: Is there a published and transparent disciplinary procedure?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>G1: If no, please explain</p>   |
| <p>H: If yes, are workers aware of these the disciplinary procedure?</p>   | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>H1: If no, please give details</p>  |
| <p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p> | <p><input checked="" type="checkbox"/> Yes<br/> <input type="checkbox"/> No</p> <p>I1: If yes, please give details: Absent deduction in case of worker is absent as per law.</p> |

**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 facility has established anti-harassment 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. Anti-harassment issue is also covered in employee training. Through the factory management and employees' interview, it was noted that no physical abuse happened in the factory. There is an internal process for grievance, which is through grievance box where an employee can report any grievances (harassment, discrimination etc.) anonymously, any received complaint will be handled by management, without any reprisal for the worker in question.

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

Details: Factory policy, rules and regulations, employees' personnel files, workers participation committee meeting register, complain drop register, training records etc.

Any other comments: Nil

**Non-compliance:**

|   |   |
|---|---|
| <p><b>1. Description of non-compliance:</b><br/> <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:<br/>                 None Observed</p> <p><b>Local law and/or ETI requirement:</b> Not Applicable</p> <p><b>Recommended corrective action:</b> Not Applicable</p> | <p><b>Objective evidence observed:</b><br/>                 (where relevant please add photo numbers)</p> <p>Not Applicable</p> |
|---|---|

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

| Good Examples observed:                                       |  |
|---|--|
| <p>Description of Good Example (GE):</p> <p>None Observed</p> | <p><b>Objective evidence observed:</b></p> <p>Not Applicable</p> |



**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:** Factory doesn't have system to recruit workers from manpower agency. The factory has no foreign workers. All are local workers and no permission is required for working from one district to another district. Only employees with a legal right to work shall be employed or used by the factory. The youngest age was 19 years old. Thus, the factory is compliant with this section.

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

Details: Factory policy, rules and regulations, employees' personnel files etc.

Any other comments: Nil

**Non-compliance:**

**1. 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:**

*(where relevant please add photo numbers)*

Not Applicable

**Observation:**

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

| <p style="text-align: center;"><b>Good examples observed:</b></p>    |  |
|--|--|
| <p><b>Description of Good Example (GE):</b></p> <p>None Observed</p> | <p><b>Objective evidence observed:</b></p> <p>Not Applicable</p> |

**10. Other issue areas 10B2: Environment 2–Pillar**

[\(Click here to return to summary of findings\)](#)

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.

**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:**

Factory have conducted environmental impact assessment by a 3<sup>rd</sup> party. Factory also conducted air emission & noise level assessment which parameters meet the legal requirements. The factory management has wastage disposal agreement with M/S Dewan Traders for wastage like fabric, carton, poly, empty plastic drum, empty plastic gallon, metal items, etc. which is valid till January 2, 2023.

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

Details: Factory policy, rules and regulations, air emission report, noise level assessment report etc.

Any other comments: Nil

**Non-compliance:**

**1. 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:**

(where relevant please add photo numbers)

Not Applicable

**Observation:**

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

| <p style="text-align: center;"><b>Good examples observed:</b></p> |  |
|---|--|
| <p>Description of Good Example (GE):</p>                          | <p><b>Objective Evidence Observed:</b></p> |

Other findings

| Other Findings Outside the Scope of the Code |
|--|
| None observe                                 |

| Community Benefits<br><i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i> |
|---|
| None observe  |

## 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 checked="" 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> |
| <p><b>ETI Code / Additional Elements</b></p>   | <p><b>Customer's Supplier Code equivalent</b></p>  |
| <p><b>0.A. Universal Rights covering UNGP</b></p>  | <p><b>0.A. Universal Rights covering UNGP</b></p>  |
| <p><b>0.A. Guidance for Observations</b><br/>           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.<br/>           0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights<br/>           0.A.3 Businesses shall identify their stakeholders and salient issues.<br/>           0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.<br/>           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.<br/>           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> |  |
| <p><b>0.B. Management Systems &amp; Code Implementation</b></p>  | <p><b>0.B. Management Systems &amp; Code Implementation</b></p>  |
| <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 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>  |  |
| <p><b>ETI 1. Forced Labour</b></p>   | <p><b>ETI 1. Forced Labour</b></p>   |
| <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>   |  |
| <p><b>ETI 2. Freedom of association and the right to collective bargaining are respected</b></p>   | <p><b>ETI 2. Freedom of association and the right to collective bargaining are respected</b></p> |
| <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>  |  |
| <p><b>ETI 3. Working conditions are safe and hygienic</b></p>  | <p><b>ETI 3. Working conditions are safe and hygienic</b></p>                                    |
| <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 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>  |  |
| <p><b>ETI 4. Child labour shall not be used</b></p>  | <p><b>ETI 4. Child labour shall not be used</b></p>  |
| <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>   |  |
| <p><b>ETI 5. Living wages are paid</b></p>   | <p><b>ETI 5. Living wages are paid</b></p>           |
| <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> |  |
| <p><b>ETI 6. Working Hours are not excessive</b></p>   | <p><b>ETI 6. Working Hours are not excessive</b></p> |
| <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 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> |   |
| <p><b>ETI 7. No discrimination is practised</b></p>  | <p><b>ETI 7. No discrimination is practised</b></p> |
| <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>   |   |
| <p><b>ETI 8. Regular employment is provided</b></p>  | <p><b>ETI 8. Regular employment is provided</b></p> |
| <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</p>   |   |

|   |  |
|---|--|
| <p>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p><b>Additional Elements: Responsible Recruitment</b><br/>             8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.<br/>             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.<br/>             8.5 Employment agencies must only supply workers registered with them.<br/>             8.6 Workers pay no recruitment fee at any stage of the recruitment process.<br/>             8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p> |  |
| <p><b>8A: Sub-Contracting and Homeworking</b></p>   | <p><b>8A: Sub-Contracting and Homeworking</b></p>              |
| <p>8A.1 There should be no sub-contracting unless previously agreed with the main client.<br/>             8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>  |  |
| <p><b>ETI 9. No harsh or inhumane treatment is allowed</b></p>  | <p><b>ETI 9. No harsh or inhumane treatment is allowed</b></p> |
| <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.<br/>             Additional elements:<br/>             9.2 companies should provide access to a confidential grievance mechanism for all workers</p>   |  |
| <p><b>10. Other Issue areas: 10A: Entitlement to Work and Immigration</b></p>   |  |
| <p><b>Additional Elements</b><br/>             10A.1 Only workers with a legal right to work shall be employed or used by the supplier.<br/>             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>   |  |
| <p><b>10. Other issue areas 10B2: Environment 2-Pillar</b></p>  |  |













|   |  |
|---|--|
| <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> |  |
|---|--|













| 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  |  |

|  |  |
|--|--|
| <p><b>10C. Compliance Requirements</b></p> <p>10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.</p> <p>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.</p> <p>10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.</p> <p>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.</p> <p>10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,</p> <p>10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics</p> <p>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.</p> <p><b>10C. Guidance for Observations</b></p> <p>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.</p> <p>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.</p> |  |
|--|--|






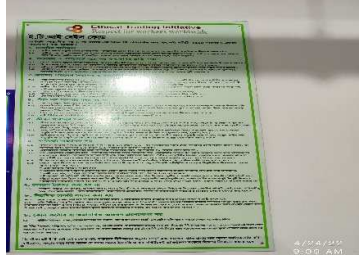





## Photo Form

General Site tour photos:

|   |  |   |
|---|--|---|
|    |    |    |
| <p>Image#1: Factory name</p>  | <p>Image#2: Factory gate</p>   | <p>Image#3: Factory Building</p>  |
|    |    |    |
| <p>Image#4: Fabric store</p>  | <p>Image#5: Cutting Section</p>  | <p>Image#6: Sewing Section</p>  |
|  |  |  |
| <p>Image#7: Fusing area</p>   | <p>Image#8: Pressing section</p>   | <p>Image#9: Finishing section</p>   |
|  |  |  |
| <p>Image#10: Packing section</p>  | <p>Image#11: Finished goods store</p>  | <p>Image#12: Accessories store</p>  |

|   |  |   |
|---|--|---|
|    |    |    |
| <p>Image#13: Fire extinguisher</p>  | <p>Image#14: Fire Alarm</p>  | <p>Image#15: Fire Alarm switch</p>  |
|    |    |    |
| <p>Image#16: PA System</p>  | <p>Image#17: Danger Sign</p>   | <p>Image#18: Firefighting Equipment</p>   |
|  |  |  |
| <p>Image#19: Smoke detector</p>   | <p>Image#20: Exit sign with light</p>  | <p>Image#21: Warning sign on electric switch box.</p>                                 |
|  |  |  |
| <p>Image#22: Fire Hose test</p>   | <p>Image#23: Emergency Light test</p>  | <p>Image#24: Fire Alarm test</p>  |

|   |   |   |
|---|---|---|
|    |    |    |
| <p>Image#25: First Aid Box</p>  | <p>Image#26: First Aider</p>  | <p>Image#27: Medical room</p>   |
|    |    |    |
| <p>Image#28: Toilet area</p>  | <p>Image#29: Machine guards are installed</p>                                       | <p>Image#30: Complain/ Suggestion box</p>   |
|  |  |  |
| <p>Image#31: Fire fighter waring apron</p>  | <p>Image#32: Drinking Water station</p>   | <p>Image#33: Childcare room</p>   |
|  |  |  |
| <p>Image#34: Evacuation plan</p>  | <p>Image#35: Policy notice board</p>  | <p>Image#36: Generator</p>  |

|   |   |   |
|---|---|---|
|    |    |    |
| <p>Image#37: Canteen</p>  | <p>Image#38: Dining room</p>  | <p>Image#39: Boiler room</p>  |
|    |   |    |
| <p>Image#40: Electronic attendance machine.</p>                                     | <p>Image#41: Worker using PPE</p>   | <p>Image#42: Sprinkler system</p>   |
|  |  |  |
| <p>Image#43: ETI base code posted</p>   | <p>Image#44: Eye wash station</p>   | <p>Image#45: Chemical store</p>   |
|  |  |  |
| <p>Image#46: Staircase.</p>   | <p>Image#47: Emergency telephone numbers.</p>                                       | <p>Image#48: Wastage store</p>  |



**Non-Compliance photos:**

|  |  |           |
|--|--|-----------|
|         |  | <p>//</p> |
| <p><b>N/C 01-</b> Needle guards of sewing machines were found in displaced condition</p> | <p><b>N/C 02-</b>D-ring (safety guard) was missing for snap button machines</p>    | <p>//</p> |



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

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:

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