

# Sedex Members Ethical Trade Audit (SMETA) Report

(Version 4.0 May 2012, 2/4 Pillar Audit; replaces version 2.4. Sept 2010)

Supplier name:	KEYA KNIT COMPOSITE LTD.	
Site country:	BANGLADESH	
Site name:	KEYA KNIT COMPOSITE LTD.	
SMETA Audit Type:	<input checked="" type="checkbox"/> 2-Pillar	<input type="checkbox"/> 4-Pillar

## Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety Business Practices and Environment. The SMETA Best Practice Methodology v.4.0 May 2012 was applied. Any deviations from the SMETA methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents:  
Please check appropriate SMETA Audit Type in the above box:

### 2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
  - o Management systems and code implementation,
  - o Entitlement to Work & Immigration,
  - o Sub-Contracting and Home working

### 4-Pillar SMETA Audit

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

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.





<b>Audit Company Name:</b> <b>TUV Rheinland (India) Pvt. Ltd.</b>	<b>Report Owner (payee):</b> <b>KEYA KNIT COMPOSITE LTD.</b>
Sedex Company Reference: <i>(only available on Sedex System):</i>	<b>S000000054513</b>
Sedex Site Reference: <i>(only available on Sedex System)</i>	<b>Not Applicable</b>

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

Auditor Reference Number: (If applicable)	Not Applicable
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## SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA best practice guidance.

Any exceptions to this must be recorded here (e.g. different sample size): Not Applicable

Auditor Name(s) (please list all including all interviewers): Md. Rashedul Hasan

Role: Lead Auditor

Date: December 01-04, 2012

## Audit Details

Audit Details	
A: Report #:	BD-35/12
B: Date of audit:	December 01 – 04, 2012
C: Time in and time out:	<p><b>1<sup>st</sup> Day (December 01, 2012) of the Audit:</b>            Time in : 08:30 hours            Time out : 17:30 hours</p> <p><b>2<sup>nd</sup> Day (December 02, 2012) of the Audit:</b>            Time in : 08:20 hours            Time out : 18:30 hours</p> <p><b>3<sup>rd</sup> Day (December 03, 2012) of the Audit:</b>            Time in : 08:10 hours            Time out : 18:20 hours</p> <p><b>4<sup>th</sup> Day (December 04, 2012) of the Audit:</b>            Time in : 08:30 hours            Time out : 17:30 hours</p>
D: Number of Auditor Days Used: <i>(number of auditor x number of days)</i>	01 (one) auditor for 04 (four) days on-site
E: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other - Define
F: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced <input type="checkbox"/> Unannounced
G: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If no, why not?	The factory did not provide the SAQ
I: Auditor name(s) and role(s):	Md. Rashedul Hasan – Lead Auditor
J: Report written by:	Md. Rashedul Hasan
K: Report reviewed by:	Hiker Bi
L: Report issue date:	Dec. 20 2012
M: Supplier name:	KEYA KNIT COMPOSITE LTD.

N: Site name:	KEYA KNIT COMPOSITE LTD.			
O: Site country:	Bangladesh			
P: Site contact and job title:	Sudip Kumar Ghosh – Deputy General Manager (HR & Compliance)			
Q: Site address:	Jarun, Konabari, Gazipur, Bangladesh			
Site phone:	+88-02-9297779, +88-02-9297029, +88-02-9297766, +88-02-9297139			
Site fax:	+88-02-9297778			
Site e-mail:	<a href="mailto:sudip.comp@keya-bd.com">sudip.comp@keya-bd.com</a>			
R: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	<p><b>Trade License No:</b> 04/2012-2013 issued by Local Municipality Corporation which is valid till June 30, 2013</p> <p><b>Factory License No:</b> 13030 / Gazipur, issued by Bangladesh Government which is valid till December 31, 2012</p> <p><b>Fire License No:</b> Dhaka / 19630/06 issued by Bangladesh Fire Service &amp; Civil Defence Authority which is valid till June 30, 2013</p>			
S: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	All kinds of Knit Garments Manufacture			
T: Audit results reviewed with site management?	Yes			
U: Who signed and agreed CAPR (Name and job title)	Sudip Kumar Ghosh – Deputy General Manager (HR & Compliance)			
V: Did the person who signed the CAPR have authority to implement changes?	Yes			
W: Previous audit date:	Not applicable as no records of previous social audit provided or found to the factory			
X: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	*If other, please define:			

## Audit Scope

Local Law	
(Please state legal requirement)	
A: Standard work week: <i>(total hours excluding overtime)</i>	48 hours per week
B: Maximum allowed overtime hours: <i>(please state per day, week, month)</i>	12 hours per week. However, an adult worker may work for more than 8 (eight) hours in a day or 48 (forty-eight) hours in a week, provided that the total work hours (including overtime hours) of an adult worker shall not exceed 60 (sixty) hours in any week and on an average 56 (fifty-six) hours per week in any year.
C: Minimum work age:	14 years
D: Minimum legal wage for standard hours: <i>(please state per day, week, month)</i>	BDT.3000 per month (Basic BDT.2000, House 40% of the Basic BDT.800, Medical allowance BDT.200) as per minimum wages gazette for garment industries dated: October 31, 2010.
E: Minimum legal overtime wage: <i>(please state per day, week, month)</i>	BDT. 19.23 per hour for the grade 7 workers as per minimum wages gazette for garment industries dated: October 31, 2010. Overtime wage rate is the double of the basic wage rate per hour.

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

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

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

## Non-Compliance Table

Issue	Area of Non-Conformity <i>(Only check box when there is a non-conformity)</i>			Record the number of issues by line*:			
	ETI Base Code	Local Law	Additional Elements	NC	Obs	GE	
0	Management systems and code implementation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	01	00	00
1	Employment Freely Chosen	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
2	Freedom of Association	<input type="checkbox"/>	<input checked="" type="checkbox"/>		01	00	00
3	Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		04	00	00
4	Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
5	Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		01	00	00
6	Working Hours	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
7	Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
8	Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
8A	Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>	00	00	00
9	Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
10A	Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	00	00	00
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	00	00	00
10B4	Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA
10C	Business Practices		<input type="checkbox"/>	<input type="checkbox"/>		NA	NA

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

## Audit Overview

Audit Overview			
	Management	Worker Representatives	
Audit attendance	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives not present please explain reasons why	Not Applicable		
E: If Union Representatives not present please explain reasons why:	No workers union or trade union has been formed by the workers of the factory.		
<b>F: Site description:</b> (Include size, location and age of site. Also include structure and number of buildings)	<p>The facility KEYA KNIT COMPOSITE LTD. has been established since 2003 (production started in 2007) situated in Jarun, Konabari, Gazipur, Bangladesh. The main production processes are located in a 02 (two) Sheds.</p> <p><u>Shed # 1:</u> Is occupied by Knitting section, Dyeing section, Cutting section, Stitching section, Finishing section. Basement of the shed is occupied by the yarn storage, grey fabric storage and finished good carton warehouse.</p> <p><u>Shed # 2:</u> Is occupied by Utility section, Boiler house, Generator house, Compressor house, Facility child care center, Medical room, Workers' Dining room, Workers' Canteen, Workers Toilers etc.</p> <p>Effluent Treatment Plant (ETP) is situated in a separate location inside the factory complex.</p> <p>Total production area comprises 3,94,340 S.Q. feet where 4,424 persons are working.</p>		
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor		



<b>H: Month(s) of peak season:</b> <i>(if applicable)</i>	No specific peak season reported by the facility management.										
<b>I: Typical production level as a % of the total capacity by month (record below):</b> <i>Site declaration only – this has not been verified by auditor.</i>											
<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>J: Process overview:</b> (Include products being produced, main operations, number of production lines, main equipment used)											
<p><b>Product:</b> All kinds of knit products</p> <p><b>Process:</b> Knitting → Dyeing → Cutting → Sewing → Finishing → Packing → Shipping.</p> <p><b>Line:</b> 18 sewing lines with an average of 80 sewing machines per line.</p> <p><b>Main Machineries:</b> Single needle lock stitch, Single needle chain stitch, Two needle chain stitch, Over lock, Button hole, Flat lock, Cylinder Bed, Rib Cutting, Thread Re-winding, Fabric Trimmer, Vacuuming table, Vertical Cutting machine, Lab machine, Light box, Crockmaster, Wash Frastness, Tumbler Dryer, Datacolor machine, Pilling tester, Washing machine, Vertical winch, Sample Winch, Squeezer, Dryer, Tube tex, Stenter, Slitting, Circular Knitting machine, Flat Knitting Machine, Metal detector, Fabric inspection machine, Boiler, Generator etc.</p>											
<b>K: Attitude of workers:</b> (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											
<p>The factory agreed that TUV Rheinland auditor conducted confidential interviews with workers who were chosen freely without any influence by the factory management; 62 workers were randomly selected from different workshops for individual or group interviews; The workers' interviews were conducted at an independent room that located at the workshop. The workers showed a cooperative attitude during the interview process; The effective evidences were collected by workers interview. Based on the workers interview, workers expressed their positive attitude to management and workplace. They agreed with the rules and management of the factory.</p> <p>The information of interview was as below:</p> <ul style="list-style-type: none"> <li>• For child labour issue, all interviewees confirmed that the factory checked their age proof records to verify their ages during recruitment. Moreover, factory doctor check them in the medical centre. All interviewed workers' declared their ages were over 18 years old.</li> <li>• For forced labour issue, the workers confirmed no "deposit" was required and their original documents such as ID cards were kept by themselves.</li> <li>• For discrimination issue, the workers' designation &amp; wages were paid based on their positions, outputs and abilities. All interviewees confirmed that no discrimination occurred in the factory.</li> <li>• For discipline practice issues, the interviewees said they never be warned, fined or fired if they broke the factory rules. Only deduction for absent has been done from the wages.</li> <li>• For safety and health issue, the workers were satisfied with the working condition and the factory provided induction training for new workers and regular safety training to all workers. Fire drills were conducted, which included the evacuation exercise and the use of the fire extinguishing facilities.</li> <li>• For working hour's issues, workers reported they worked regularly for 6 days per week, 8 hour per day, generally overtime for 2 hours per day. Only Knitting, Dyeing and Utility sections run in three shifts and they avail weekly holiday on rotation basis. They had right to refuse overtime work.</li> <li>• For wages issue, Wage payment done in cash and within 7<sup>th</sup> working days after completion of the wage month. Pay slip provided in Bengali. Overtime work hours paid at the rate of double of the wage.</li> <li>• For treatment issue, the workers confirmed no harsh or inhumane treatment occurred and the management was kind to all employees.</li> </ul>											

- For freedom of association issue, no restrictions imposed by the management to form union to the facility. They could also complain to their management directly or write an anonymous letter to the complaint box.

L: Attitude of managers:  
(Include attitude to audit, and audit process. Both positive and negative information should be included)

The factory was cooperative and demonstrated a willingness to improve all issues found during the audit.

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

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

**Positives:**

1. The factory does not engage any forced or bonded labour. In Bangladesh no prison labour are engaged outside the prison according to the law. Nothing identified during audit. Factory also does not keep any original documents from the workers, confirmed by the interviewed workers. Workers are free to leave their employer at any time giving required notices.
2. Factory does not engage workers of below 18 years and no child or young worker has been identified during audit. Factory checks the age before recruitment through the age proof records of the respective workers and also cross check by the registered doctor. Management maintains age related documents in the workers' personnel files.
3. Factory building has the construction approval from the local government and business licenses found updated from the legal authority.
4. First aid facility, Health & safety trainings, use of PPE and toilet facilities have been found as per legal requirement.
5. Workers have received overtime allowance at premium rate (double of the basic). Workers are getting day off on Friday as weekly holiday. Workers of Knitting, Dyeing and Utility sections avail one day weekly holiday on rotation basis as these sections run in three shifts.
6. Nothing identified by the documents verification and also nothing reported by the interviewed workers as discrimination. The pay and overtime record do not show any discriminatory incidents.
7. Mr. Prodip Kumar Ghosh – Deputy General Manager (HR & Compliance) and his team are responsible to look after the health and safety issues of the factory.
8. Factory does not engage any worker through 'Subcontractor of Labour' and no immigrant worker have been engaged by the factory.

**Negatives:**

1. No social compliance management system internal audit & management review have been done by the facility management.
2. Participation Committee is not effective in the facility. Meeting of the participation committee has not been done regularly within two months. Meeting minutes has not been communicated within the workers.
3. Electrical installations of the facility have not been checked periodically in a scheduled manner. No schedule for preventive maintenance found and some loose wiring found in the production floors.

4. Insufficient fire fighting equipments (fire hock, fire beater, blankets, helmet, hand gloves, etc) found in-side the production building. Facility has a central fire fighting equipments room at the main gate which is not sufficient compared with the area of the factory.
5. No drinking water facility found in-side the production building. Management provided a central system of drinking water facility near to the workers dining area which is not sufficient compared with the total area of the factory.
6. Sewing floor found overcrowded and aisle mark does not match with the machine lay-out.
7. Facility has no Worker Participation Fund & Worker Welfare Fund.

**Observation: Nil**

## Key Information

Key Information	
A: Do all workers (including migrant workers) have contracts of employment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input type="checkbox"/> Poor record keeping <input checked="" type="checkbox"/> No <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence
D: For the lowest paid production worker, are wages paid for standard hours (excluding overtime) below or above the legal minimum?	Wages found: <input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above
	Please indicate the breakdown of workforce according to earnings: 00 % of workforce earning under min wage 40 % of workforce earning min wage 60 % of workforce earning above min wage
E: % of piece rate workers: (if applicable)	00% No piece rated workers engaged by the factory. All workers engaged hourly rate basis.
F: Combined hours (standard and overtime) over 60 per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Are the correct overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Knitting, Dyeing & Utility sections runs in three shifts per day with 8 hours shift.
I: % of workers living in site provided accommodation (if applicable):	Not Applicable No dormitory / living accommodation has been provided for the workers by the factory management and there is no local legal requirement.
J: Age of youngest worker found:	18 years
K: Workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes      _____% of under 18's at this site (out of total workers) <input checked="" type="checkbox"/> No  No young worker was identified during the audit.
L: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify)

	<input type="checkbox"/> None
M: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  It is a voluntary requirement for the workers. If workers of any facility want to form union then management should not provide any restriction to prohibit it.
N: Is It a legal requirement to have a workers committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
O: Is there any other form of effective worker/management communication channel? <i>(Other than union/worker committee)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: Facility management provide complaint box inside the workers toilet area to communicate workers grievance to the management in a confidential manner. Moreover, management engages welfare officer to communicate with workers and management.
P: Are there any External Processes?	<input type="checkbox"/> Sub-Contracting <input type="checkbox"/> Homeworking <input type="checkbox"/> Other External Process (detail) <input checked="" type="checkbox"/> No external processes
<b>Management Systems:</b>	
Q: Nationality of Management	All are Bangladeshi
R: Majority nationality of workers	All are Bangladeshi workers
S: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	About 5%
T: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If not, why not?	NA
In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: Nothing reported or identified during the audit

## Worker Analysis

Worker Analysis								
	Local			Migrant			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	2474	0	0	0	0	0	0	2474
Worker numbers – female	1950	0	0	0	0	0	0	1950
Total	4424	0	0	0	0	0	0	4424
Number of Workers interviewed	62	0	0	0	0	0	0	62

### Contractors:

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

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, how many workers supplied by contractors	Not applicable
C: Are all contractor workers paid according to law: (please record evidence)	Not applicable

### Migrant Workers:

Please see SMETA Best Practice Guidance - Page 37

D: Originating Locations/Countries:	NA; No migrant workers employed by the factory management
E: Work undertaken by migrant workers:	NA; No migrant workers employed by the factory management
F: Were migrant workers recruited through an agency?	NA; No migrant workers employed by the factory management
If yes, is there a contract with the agency? Provide details of agencies and contractual arrangements	NA; No migrant workers employed by the factory management
G: Percentage of migrant workers in company provided accommodation:	NA; No migrant workers employed by the factory management

## Audit Results by Clause

### 0: Management systems and code implementation:

- 0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.3 Suppliers are expected to communicate this Code to all employees.
- 0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

### Evidence of Compliance and Current Status

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

**Documents checked & comments:** ETI Base code, Organizational Policies and Procedures, Training records, Job description of the employees, Supplier control procedures etc.

**Description of Current Status:** Factory has internal written policies signed by the management complying with the local legal requirement as well as the client's requirements. Mr. Sudip Kumar Ghosh – Deputy General Manager (HR & Compliance) is responsible to implement, update the legal compliance. All policies are communicated to the employees as well as the stakeholders through the display on notice board and verbally. ETI base code found displayed on the factory notice board.

### Non-compliance:

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

No social compliance management system internal audit & management review have been done by the facility management.

NC against ETI/Additional Elements       NC against Local Law

#### Local law or ETI requirement:

As per section 0.1 of ETI base code requirement suppliers are expected to implement and maintain systems for delivering compliance.

#### Recommended corrective action:

Facility should have a system for evaluation the social compliance management and should periodically review for effective implementation.

#### Objective evidence observed:

No social compliance management system internal audit & management review have been done by the facility management.

### Observation

**Description of observation:** Nil

**Local law or ETI requirement:** NA

**Comments:** NA

**Objective evidence observed:** NA

Good Examples observed:	
Description of Good Example (GE): Nil	Objective evidence observed: NA



<b>1: Employment is Freely Chosen</b>
<b>ETI</b>
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>

<b>Evidence of Compliance and Current Status</b>
<i>Please Note: include evidence examined &amp; description of current status.</i>
<p><b>Documents checked &amp; comments:</b> Employment letter of the workers, Workers personal files, Recruitment policy and procedure, Wage payment sheet, Resigned employee files, Leave records, Pay-slip, In-Out time records, Training records, Maternity benefit records and workers interview etc.</p> <p><b>Description of current status:</b> The factory does not engage any forced or bonded labour. In Bangladesh no prison labour is allowed out-side the prison according to the law. No negative evidence has identified during audit. Management does not keep any original documents from the workers, confirmed by the interviewed workers. Workers are free to leave their employer at any time giving required notices.</p>

<b>Non-compliance:</b>	
<p><b>1. Description of non-compliance: Nil</b></p> <p><input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law:</p> <p><b>Local law or ETI requirement: NA</b></p> <p><b>Recommended corrective action: NA</b></p>	<p><b>Objective evidence observed: NA</b></p>

<b>Observation</b>	
<p><b>Description of observation: Nil</b></p> <p><b>Local law or ETI requirement: NA</b></p> <p><b>Comments: NA</b></p>	<p><b>Objective evidence observed: NA</b></p>

<b>Good Examples observed:</b>	
<p><b>Description of Good Example (GE): Nil</b></p>	<p><b>Objective evidence observed: NA</b></p>

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

**ETI**

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

**Evidence of Compliance and Current Status:**

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

**Documents checked & comments:** Employment letter of the workers, Workers personal files, Recruitment policy and procedure, Policy & procedure on freedom of association, Formation of Participation committee, Meeting minutes, Wage payment sheet, Resigned employee files, Leave records, Pay-slip, In-Out time records, Training records, Maternity benefit records and workers interview etc.

**Description of current status:** No trade union has been formed by the workers of the factory. Workers are free to join or form the trade union, no restriction has been imposed to the workers from the management. Nothing identified through policy verification and no negative evidence identified through records review and worker interview. Moreover, factory has formed a Workers Participation Committee as parallel means where members are selected through the workers. Factory management has installed the complaint box inside the toilet area to ventilate workers grievance.

**Non-compliance:**

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

Participation Committee is not effective in the facility. Meeting of the participation committee has not been done regularly within two months. Meeting minutes has not been communicated within the workers.

- NC against ETI       NC against Local Law

**Local law or ETI requirement:**

As per section 207 of Bangladesh Labour Law 2006 meeting of the participation committee should be held at least once in every two months. Moreover, minutes of the meeting should be distributed to the participants.

**Recommended corrective action:**

Management should do the meeting of participation committee in regular interval (at least once in two months) as per law. Management should communicate the meeting minutes among the participants.

**Objective evidence**

**observed:**

Participation Committee meeting minutes.

Observation	
<b>Description of observation:</b> Nil <b>Local law or ETI requirement:</b> NA <b>Comments:</b> NA	<b>Objective evidence observed:</b> NA

A: Name of union and union representative, if applicable:	NA; This is a non-unionized factory.	
If no union what is parallel means of consultation with workers e.g. worker committees?	Factory has formed a Participation Committee with the participation of workers and management representative as parallel means. Members of workers are selected through the worker themself.	
B: Is there any evidence that this is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Participation Committee is not effective in the facility. Meeting of the participation committee has not been done regularly within two months. Meeting minutes has not been communicated within the workers.	
C: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No This is a non-unionized factory.	
If yes what percentage by trade Union/worker representation	_____% workers covered by Union CBA	_____% workers covered by worker rep CBA
D: Does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> No CBA This is a non-unionized factory.	

Good Examples observed:	
Description of Good Example (GE): Nil	<b>Objective evidence observed:</b> NA

### 3: Working Conditions are Safe and Hygienic

#### ETI

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

#### Evidence of Compliance and Current Status

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

**Documents checked & comments:** EHS Policy and procedures, Training records, Awareness training records, Licenses of the machineries, Fire licenses, Factory lay-out plan, Maintenance records, MSDS of the chemicals, List of chemicals, Meeting minutes, Risk assessment policy and procedure, Risk assessment records and remediation actions, Accident reports, First aid and fire fighting training, Fire evacuation drill records, On-site observation and workers interview etc.

**Description of current status:** During site tour it was noted that working environment with respect to ventilation, and lighting of the factory is acceptable. Records of all kinds of in-house training provided and interviewed workers confirm that training on health & safety provided to the new and existing workers. First aid and medical facility, dining facility for the workers were available inside the factory. Mr. Prodip Kumar Ghosh – Deputy General Manager (HR & Compliance) is responsible to look after the health and safety issues. Adequate toilet facilities provided and segregated as per gender.

#### Non-compliance:

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

Electrical installations of the facility have not checked periodically in a schedule manner. No schedule for preventive maintenance found and some loose wiring found in the production floors.

NC against ETI       NC against Local Law

##### Local law or ETI requirement:

As per section 3.1 of ETI base code requirement adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

##### Recommended corrective action:

Facility management should check all the electrical installations in a schedule manner and keep records. Management should take necessary actions to remove the loose wiring in the production floors to prevent any accident.

**Objective evidence observed: Nil**

<p><b>2. Description of non-compliance:</b>          Insufficient fire fighting equipments (fire hock, fire beater, blankets, helmet, hand gloves, etc) found in-side the production building. Facility has a central fire fighting equipments room at the main gate which is not sufficient compared with the area of the factory.</p> <p><input type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law</p> <p><b>Local law or ETI requirement:</b>          As per section 52 of Bangladesh Factories Rules 1979 every facility shall be maintained fire fighting equipments on each floor and in suitable number stated by the rules.</p> <p><b>Recommended corrective action:</b>          Facility should provide the fire fighting equipments near the working areas to use by the trained fire fighters during any emergency. Monitoring system should be implemented to make the system effective.</p>	<p><b>Objective evidence observed:</b>          List of fire fighting equipments and On-site observation</p>
<p><b>3. Description of non-compliance:</b>          No drinking water facility found in-side the production building. Management provided a central system of drinking water facility near to the workers dining area which is not sufficient compared with the total area of the factory.</p> <p><input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law</p> <p><b>Local law or ETI requirement:</b>          As per section 58 of Bangladesh Labour Law 2006 drinking water shall be placed in a suitable place that can be easily used by the workers.          As per section 3.3 of ETI base code requirement access to potable water shall be provided.</p> <p><b>Recommended corrective action:</b>          Facility should provide drinking water facility close proximity to the production floors.</p>	<p><b>Objective evidence observed:</b>          On-site observation</p>
<p><b>4. Description of non-compliance:</b>          Sewing floor found overcrowded and aisle mark does not match with the machine lay-out.</p> <p><input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law</p> <p><b>Local law or ETI requirement:</b>          As per section 56 of Bangladesh Labour Law 2006 no overcrowding shall be allowed in any organization production floor that can cause danger for health &amp; safety of the workers.          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>          Management should mark the aisles of sewing section as per machine lay-out and take necessary action to remove the crowing in sewing floor.</p>	<p><b>Objective evidence observed:</b>          On-site observation</p>

Observation	
<b>Description of observation: Nil</b> <b>Local law or ETI requirement: NA</b> <b>Recommended corrective action: NA</b>	<b>Objective evidence observed: NA</b>

Good Examples observed:	
<b>Description of Good Example (GE): Nil</b>	<b>Objective Evidence Observed: NA</b>

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

**ETI**

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

**Evidence of Compliance and Current Status**

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

**Documents checked & comments:** Recruitment policy, Age verification procedure, Appointment of Doctor and nurse, Workers personal files, Payment records, In-out time records, Daily attendance records, Training records, On-site observation and workers interview etc.

**Description of current status:** Factory has a written policy not to engage underage workers and no child or young worker has been identified during audit. Nothing reported about historical child labour by the interviewed workers. Factory checks the age of the potential worker before recruitment through the age proof records and cross check by the registered doctor. Management maintains age related documents in the workers' personnel files.

**Non-compliance:**

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

NC against ETI       NC against Local Law

**Local law or ETI requirement: NA**

**Recommended corrective action: NA**

**Objective evidence observed: NA**

**Observation**

**Description of observation: Nil**

**Local law or ETI requirement: NA**

**Comments: NA**

**Objective evidence observed: NA**

**Good Examples observed:**

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

**Objective Evidence Observed: NA**

**5: Living Wages are Paid**

**ETI**

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.  
 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.  
 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

**Evidence of Compliance and Current Status**

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

**Documents checked & comments:** Wages and Benefits policy and procedures, Wages payment sheets, In-out time records, Pay-slip, Employment contract of the workers, Minimum wages declaration gazette of the government, Overtime work hours records, Overtime work hours payment records, Deductions from the wages, Disciplinary actions records, Resigned workers payment records, Leave records, Maternity benefit payment records, Group insurance of the workers and workers interview etc.

**Description of current status:** Management paid the minimum wages as per the local minimum wages declared by the government for the garment industry. No evidence identified that the factory made payment less than local minimum wages. Pay slip provided to the workers in Bengali. No illegal deduction has been identified through document review and nothing reported by the interview workers. No records of illegal disciplinary measure identified and nothing reported by the workers interview.

**Non-compliance:**

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

Facility has no Worker Participation Fund & Worker Welfare Fund.

NC against ETI       NC against Local Law

**Local law or ETI requirement:**

As per section 234 of Bangladesh Labour Law 2006 every management shall form a Workers Participation Fund & Workers Welfare Fund within one month as per rules to share the company profit (5% of the net profit) after a fiscal year.

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.

**Recommended corrective action:**

Facility should have a Worker Participation Fund & Worker Welfare Fund as legally required.

**Objective evidence observed:**

Facility has no Worker Participation Fund & Worker Welfare Fund.



Observation	
<b>Description of observation: Nil</b> <b>Local law or ETI requirement: NA</b> <b>Comments: NA</b>	<b>Objective evidence observed: NA</b>

Good Examples observed:	
<b>Description of Good Example (GE): Nil</b>	<b>Objective Evidence Observed: NA</b>

Wages analysis:	
<b>A: Sample size:</b> <i>(number of wages checked and which weeks or months – please see BPG)</i>	65 wage records checked randomly from last 1 year's (November'11 to November'12) wage records as submitted.
<b>B: Legal minimum wage for standard time:</b> <i>(excluding OT - please include time period e.g. hour/week/month)</i>	BDT. 3000 per month for the grade – 7 workers (Basic BDT. 2000, House 40% of the Basic BDT. 800, Medical allowance BDT. 200) as per minimum wages gazette for garment industries dated: October 31, 2010.
<b>C: Are there different legal minimum wage grades? If yes, please specify all.</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If yes, please give details: As per minimum wages gazette for garment industries dated: October 31, 2010.  Section A (For production workers) Grade 1 -- BDT.9,300 (Basic 6,500; HR 2,600; Medical 200) Grade 2 -- BDT.7,200 (Basic 5,000; HR 2,000; Medical 200) Grade 3 -- BDT.4,218 (Basic 2,870; HR 1,148; Medical 200) Grade 4 -- BDT.3,861 (Basic 2,615; HR 1,046; Medical 200) Grade 5 -- BDT.3,553 (Basic 2,395; HR 958; Medical 200) Grade 6 -- BDT.3,322 (Basic 2,230; HR 892; Medical 200) Grade 7 -- BDT.3,000 (Basic 2,000; HR 800; Medical 200)  Section B (For non-production workers) Grade 1 -- BDT.6,500 (Basic 4,500; HR 1,800; Medical 200) Grade 2 -- BDT.5,100 (Basic 3,500; HR 1,400; Medical 200) Grade 3 -- BDT.4,400 (Basic 3,000; HR 1,200; Medical 200) Grade 4 -- BDT.3,280 (Basic 2,200; HR 880; Medical 200)
<b>D: Where there are different legal minimum wage grades are all workers graded correctly?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details:
<b>E: What deductions are required by law:</b>	As per section 125 of the Bangladesh Labour Law, 2006, factory may deduct wages for un-authorized absence, for fines, housing facility, advance

	payments, loans, income tax, provident fund, etc.
<b>F: Have all of these deductions been made?</b>	Factory is deducting only for un-authorized absence.
<b>G: Industry norm for this region:</b> <i>(please include time period e.g. hour/week/month)</i>	BDT. 3000 per month for the grade – 7 workers (Basic BDT. 2000, House 40% of the Basic BDT. 800, Medical allowance BDT. 200) which is as per minimum wages for garment industries dated: October 31, 2010.
<b>H: Legal overtime premium for weekdays:</b> <i>(please include time period e.g. hour/week/month)</i>	BDT. 19.23 per hour for the lowest grade 7 workers as per minimum wages gazette for garment industries dated: October 31, 2010. Overtime wage rate is the double of the basic wage rate per hour.
<b>I: Legal overtime premium for rest days:</b> <i>(please include time period e.g. hour/week/month)</i>	BDT. 19.23 per hour for the lowest grade 7 workers as per minimum wages gazette for garment industries dated: October 31, 2010. Overtime wage rate is the double of the basic wage rate per hour.
<b>J: Legal overtime premium for holidays:</b> <i>(please include time period e.g. hour/week/month)</i>	BDT. 19.23 per hour for the lowest grade 7 workers as per minimum wages gazette for garment industries dated: October 31, 2010. Overtime wage rate is the double of the basic wage rate per hour.

Worker Type	Process Operator (Highest paid)	Process Operator (Average paid)	Process Operator (Lowest paid)
<p>Select one worker's records from each "Worker Type" and populate the boxes. Ensure comparison is made for same pay period (peak) and only uses full-time workers. See SMETA Best Practice Guidance for completing this:</p>			
A: Pay period <i>(please include time period e.g. hour/week/month):</i>	Pay period monthly; Record for the month of April, 2012	Pay period monthly; Record for the month of April, 2012	Pay period monthly; Record for the month of April, 2012
B: Anonymous Employee Reference/Dept.	ID#15851, Sewing Operator, Sewing Dept.	ID#15890, Sewing Operator, Sewing Dept.	ID#15783, Sewing Operator, Sewing Dept.
C: Employee Gender	Male	Female	Female
D: Contracted wage <i>( please include time period e.g. hour/week/month):</i>	Monthly BDT. 5,659 gross wages	Monthly BDT. 4,713 gross wages	Monthly BDT. 4,247 gross wages
E: Standard working hours <i>(excluding OT - please include time period e.g. hour/week/month):</i>	208 hours per month	208 hours per month	208 hours per month
F: Standard work pay rate <i>(excluding OT - please include time period e.g. hour/week/month):</i>	Monthly BDT. 5,659 gross wages	Monthly BDT. 4,713 gross wages	Monthly BDT. 4,247 gross wages
G: Standard day overtime – hours <i>(please include time period e.g. hour/week/month):</i>	44 hours in this Month	40 hours in this Month	44 hours in this Month
H: Standard day overtime – wage <i>(please include time period e.g. hour/week/month):</i>	BDT.1,650 in this Month	BDT.1,240 in this Month	BDT.1,223 in this Month
I: Rest day overtime – hours <i>(please include time period e.g. hour/week/month):</i>	Nil	Nil	Nil
J: Rest day overtime – wage <i>(please include time period e.g. hour/week/month):</i>	Nil	Nil	Nil
K: Statutory Holiday overtime – hours <i>(please include time period e.g. hour/week/month):</i>	Nil	Nil	Nil
L: Statutory holiday OT - wages <i>(please include time period e.g. hour/week/month):</i>	Nil	Nil	Nil

M: Total overtime hours <i>(please include time period e.g. hour/week/month):</i>	44 hours in this Month	40 hours in this Month	44 hours in this Month
N: Incentives/Bonus/ Allowances etc. <i>(please include time period e.g. hour/week/month):</i>	Attendance Bonus: BDT. 225 in this month	Attendance Bonus: BDT. 225 in this month	Attendance Bonus: BDT. 225 in this month
O: Gross wages <i>(please include time period e.g. hour/week/month):</i>	BDT.7,534 in this Month	BDT.6,069 in this Month	BDT.5,695 in this Month
P: Social insurance and other deductions	Govt. Stamp Deduction; BDT.5	Govt. Stamp Deduction; BDT.5	Govt. Stamp Deduction; BDT.5
Q: Actual wage paid after deduction <i>(please include time period e.g. hour/week/month):</i>	BDT.7,529 in this Month	BDT.6,064 in this Month	BDT.5,690 in this Month
<b>Comments:</b> (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			
4 <sup>th</sup> grade operators are getting the highest wages and 6 <sup>th</sup> grade operators are getting the lowest wages.			
R: Is there a defined living wage: <i>This is not normally legal wage. If answered Y please state amount and source of info: Please see BPG)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time period:		
S: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
T: Is there evidence that equal rates are being paid for equal work?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:		
U: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer If not explain:		
Actual overtime premium paid in sample for...			
V: Weekdays:	Double of the basic wage rate		
W: Rest days:	Double of the basic wage rate		
X: Holidays:	Double of the basic wage rate		

**6: Working Hours are not Excessive**

**ETI**

6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.  
 6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

**Evidence of Compliance and Current Status**

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

**Documents checked & comments:** Working hour policy and procedure, In-out time keeping system, Wages payment sheets, In-out time records, Pay-slip, Employment contract of the workers, Overtime work hours records, Overtime work hours payment records, Daily attendance records, Training records, Production records, Log book for the machineries, Disciplinary actions records, Resigned workers payment records, Leave records, workers and on-site observations & workers interview etc.

**Description of current status:** Management declared a working hour policy and procedure which comply with local law. No negative records of excess working hours identified during the audit. As per management statement they only engages workers for over-time work when there is an urgency of shipment and when the work load is high. Friday is weekly holiday and workers of Knitting, Dyeing and Utility section avail weekly holiday on rotation basis as these section runs in three shifts of 8 hours each.

**Non-compliance:**

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

NC against ETI       NC against Local Law

**Local law or ETI requirement: NA**

**Recommended corrective action: NA**

**Objective evidence observed: NA**

**Observation**

**Description of observation: Nil**

**Local law or ETI requirement: NA**

**Comments: NA**

**Objective evidence observed: NA**

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: NA

Working hours analysis	
<i>Please include time period e.g. hour/week/month</i>	
A: What timekeeping systems are used: time card etc.	Swipe card time keeping system used to register the in-time & out-time of the workers.
B: Sample size checked (number of workers): <i>Please see BPG</i>	65
C: Legal standard work week (hours): <i>(Excluding OT - please include time period e.g. hour/week/month).</i>	48 hours per week
D: Contracted standard work week this site (hours) <i>(excluding OT - please include time period e.g. hour/week/month)::</i>	48 hours per week
E: Actual standard work week averaged over sample for full time workers: <i>(excluding OT - please include time period e.g. hour/week/month)</i>	48 hours per week
F: Lowest standard hours worked <i>(excluding OT - please include time period e.g. hour/week/month)</i>	48 hours per week
G: Highest standard hours worked <i>(excluding OT - please include time period e.g. hour/week/month)</i>	48 hours per week
H: Percentage workers on part-time contracts	00 % age No part-time workers engaged.
I: Legal permitted overtime hours <i>(please include time period e.g. hour/week/month)</i>	12 hours per week. However, an adult worker may work for more than 8 (eight) hours in a day or 48 (forty-eight) hours in a week, provided that the total work hours (including overtime hours) of an adult worker shall not exceed 60 (sixty) hours in any week and on an average 56 (fifty-six) hours per week in any year.
J: Any local waivers or permission for annualised hours for this site:	Not Applicable
K: Actual overtime hours: (averaged over sample) <i>(please include time period)</i>	Monthly 40 hours in the month of April, 2012.

e.g. hour/week/month)	
L: Range of overtime hours over all workers: <i>(quote highest and lowest please include time period e.g. hour/week/month)</i>	<u>Highest</u> : Monthly 44 hours in the month of April, 2012. <u>Lowest</u> : Monthly 34 hours in the month of April, 2012.
M: approx % of workers on highest overtime hours:	About 30%
N: Peak season(s): <i>months</i>	No specific peak season reported by the management nothing identified
Comments: (Please state here any specific reasons/circumstances that explain the highest working hours)	
Not applicable	

**7: No Discrimination is Practiced**

**ETI**

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

**Evidence of Compliance and Current Status**

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

**Documents checked & comments:** Organization policy and procedure, Recruitment records, wages payment records, overtime work and payment records, employment contract, workers personal records, promotion and training records, disciplinary actions records, complaint box register, Maternity benefit register, resigned workers personal files, bonus and others benefits payment records, on-site observation and workers interview etc.

**Description of current status:** Nothing identified by the documents verification and also nothing reported by the interviewed workers as discrimination. The payment and overtime record does not show any discriminatory incidents.

**Non-compliance:**

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

NC against ETI       NC against Local Law

**Local law or ETI requirement:** NA

**Recommended corrective action:** NA

**Objective evidence observed:** NA

**Observation**

**Description of observation:** Nil

**Local law or ETI requirement:** NA

**Comments:** NA

**Objective evidence observed:** NA

**Good Examples observed:**

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

**Objective Evidence Observed:** NA



**8: Regular Employment Is Provided**

**ETI**

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.  
 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

**Evidence of Compliance and Current Status**

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

**Documents checked & comments:** Organization policy and procedure, Recruitment policy and records, wages payment records, overtime work and payment records, employment contract, workers personal records, promotion and training records, disciplinary actions records, complaint box register, Maternity benefit register, resigned workers personal files, bonus and others benefits payment records, on-site observation and workers interview etc.

**Description of current status:** Management does not engage any apprenticeship program. No evidence of home working identified during the audit and nothing reported by the employee interview. In Bangladesh no social security laws and regulations as such no payment deduction found from the workers' wages. Only group life insurance covered all the workers.

**Non-compliance:**

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

NC against ETI       NC against Local Law

**Local law or ETI requirement:** NA

**Recommended corrective action:** NA

**Objective evidence observed:** NA

**Observation**

**Description of observation:** Nil

**Local law or ETI requirement:** NA

**Comments:** NA

**Objective evidence observed:** NA

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: NA

**8A: Sub-Contracting and Homeworking:**

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

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

*Note to auditor on homeworking:*

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

**Evidence of Compliance and Current Status**

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

**Documents checked & comments:** Organization policy and procedures, Suppliers control procedure, Order processing records, Production records, Raw materials in-out records, Shipping records & employee interview etc.

**Description of current status:** No evidence of sub-contracting or home working has identify and nothing reported by the employee interview. According to the management comments as the factory comprises a vertical set-up, they have no system to provide any work for sub-contract.

<i>Process Subcontracted →</i>	<i>Process 1</i>	<i>Process 2</i>
<i>Name of factory →</i>	NA	NA
<i>Address →</i>	NA	NA

<i>Process Subcontracted →</i>	<i>Process 3</i>	<i>Process 4</i>
<i>Name of factory →</i>	NA	NA
<i>Address →</i>	NA	NA

<i>Process Subcontracted →</i>	<i>Process 5</i>
<i>Name of factory →</i>	NA
<i>Address →</i>	NA

**Non-compliance:**

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

NC against ETI/Additional Elements       NC against Local Law

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

**Recommended corrective action:** NA

**Objective evidence observed:** NA

**Observation**

**Description of observation:** Nil

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

**Objective evidence observed:** NA

<b>Comments: NA</b>	
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<b>Good Examples observed:</b>	
Description of Good Example (GE): Nil	<b>Objective Evidence Observed: NA</b>

Summary of sub-contracting – if applicable	
A: Number of sub-contractors/agents used	NA: No sub-contractors/agents used for any production.
B: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, summarise details:
C: What checks are in place to ensure no child labour is being used and work is safe?	NA: No sub-contractors/agents used for any production.
D: What processes are sub-contracted?	NA: No sub-contractors/agents used for any production.

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

**9: No Harsh or Inhumane Treatment is Allowed**

**ETI**

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

**Evidence of Compliance and Current Status**

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

**Documents checked & comments:** Organization policy and procedure, Recruitment policy and records, wages payment records, overtime work and payment records, employment contract, workers personal records, promotion and training records, disciplinary actions records, complaint box register, Maternity benefit register, resigned workers personal files, bonus and others benefits payment records, on-site observation and workers interview etc.

**Description of current status:** No evidence of harsh or inhumane treatment has been identified or reported by the employee interview. Management engaged welfare officer to collect and resolve any grievance of the workers if any. Complaint box installed inside the workers toilet area to collect workers grievance in a confidential manner and the boxes open regularly. Moreover, a participation committee has been formed and workers can express their grievance through the member of the committee.

**Non-compliance:**

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

NC against ETI       NC against Local Law

**Local law or ETI requirement:** NA

**Recommended corrective action:** NA

**Objective evidence observed:** NA

**Observation**

**Description of observation:** Nil

**Local law or ETI requirement:** NA

**Comments:** NA

**Objective evidence observed:** NA

**Good Examples observed:**

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

**Objective Evidence Observed:** NA

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

**Additional Elements**

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

**Evidence of Compliance and Current Status**

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

**Documents checked & comments:** Recruitment policy and records, wages payment records, overtime work and payment records, employment contract, workers personal records, promotion and training records, , resigned workers personal files, bonus and others benefits payment records, on-site observation and workers interview etc.

**Description of current status:** All employees employed in the facility are local and no migrant workers has been identified or reported. No agency employed in the facility. Nothing reported by the employee interview.

**Non-compliance:**

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

NC against ETI/Additional Elements       NC against Local Law

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

**Recommended corrective action:** NA

**Objective evidence observed:** NA

**Observation**

**Description of observation:** Nil

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

**Comments:** NA

**Objective evidence observed:** NA

**Good examples observed:**

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

**Objective Evidence Observed:** NA

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

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

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

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

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

**Evidence of Compliance and Current Status**

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

**Documents checked & comments:** Environmental policy and procedure, Waste management policy and procedure, Environmental clearance certificate, waste water monitoring report, effluent release waster monitoring report, laboratory test report, flow diagram of the ETP, capacity of the ETP, Appoint of competent person for ETP, Onsite observation and employee interview etc.

**Description of current status:** Biological Effluent Treatment Plant (ETP) found in operation during audit. Waste water test report from authorized laboratory found to the facility. Environmental clearance certificate for the factory provided by the Directorate of Environment (DoE) of Bangladesh government. Management submitted the waste water monitoring report to the DoE as per their requirement. Waste management policy found in practice.

**Non-compliance:**

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

NC against ETI /Additional Elements

NC against Local Law

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

**Recommended corrective action:** NA

**Objective evidence observed:** NA

**Observation**

**Description of observation:** Nil

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

**Comments:** NA

**Objective evidence observed:** NA

**Good examples observed:**

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

**Objective Evidence Observed:** NA



## Worker Interview Summary

Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>Please specify number and size of groups. Please see BPG</i>	8 groups of 5 employee
D: Number of individual interviews <i>Please see BPG</i>	Male: 12 Female: 10
E: Number of interviewed workers <i>Please see BPG</i>	Male: 37 Female: 25
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input checked="" type="checkbox"/> Indifferent
H: What was the most common worker complaint?	Nothing specific
I: What did the workers like the most about working at this site?	Wages and work environment
J: Any additional comment(s) regarding interviews:	NA













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

## Other findings













Other Findings Outside the Scope of the Code
NA











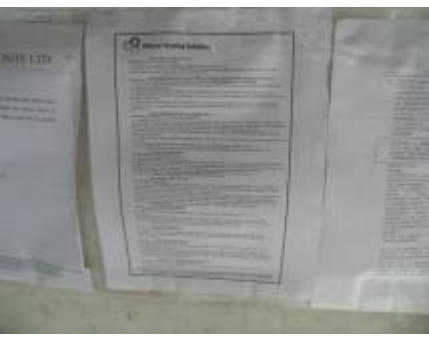

Community Benefits
(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)
NA

## Photo Form

		
Front view of the factory	Knitting section overview	Dyeing section overview
		
Dyeing finishing section overview	Manual cutting section	Machine cutting section
		
Stitching section overview	Finishing section overview	Grey fabric warehouse
		
Chemical warehouse	Chemical mixing room	Auto dosing machine in dyeing M/C



		
<p>Water treatment plant</p>	<p>Sewing section found crowded</p>	<p>First aid box in production floor</p>
		
<p>Fire fighter in production floor</p>	<p>Fire extinguishers in floor</p>	<p>Fire alarm in production floor</p>
		
<p>Medical room of the factory</p>	<p>Child care centre of the factory</p>	<p>Drinking water supplied centrally</p>
		
<p>Fire hose reel installed</p>	<p>Toilet overview</p>	<p>Inside the worker toilet</p>

		
<p>Worker dining area</p>	<p>Finish goods warehouse</p>	<p>Central fire fighting team</p>
		
<p>Central fire fighting equipments</p>	<p>Lose wiring in production floor</p>	<p>Generator room</p>
		
<p>Electrical sub-station</p>	<p>Boiler room</p>	<p>Effluent Treatment Plant</p>
		
<p>Notice board</p>	<p>ETI Base code displayed</p>	<p>Emergency light in production floor</p>

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

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

[Click here for A & AB members:](#)

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

[Click here for B members:](#)

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



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or email [auditing@sedexglobal.com](mailto:auditing@sedexglobal.com)

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