



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details

Sedex Company Reference: (only available on Sedex System)	ZC: 407449830	Sedex Site Reference: (only available on Sedex System)	ZS: 407490489
Business name (Company name):	ZK International		
Site name:	ZK International		
Site address: (Please include full address)	P-841, Street # 6, Al-Masoom Town, Faisalabad.	Country:	Pakistan.
Site contact and job title:	Mr. Rana Zohaib Khalid (CEO).		
Site phone:	+92412438615	Site e-mail:	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	August 02-03, 2021.		

Audit Company Name & Logo:



Report Owner (payer):

(If paid for by the customer of the site please remove for Sedex upload)

ZK International

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.

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):

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

Lead auditor:	SHAHAB SAQIB MUHAMMED	APSCA number RA 21703195
Team auditor:	SHAHAB SAQIB MUHAMMED	APSCA number RA 21703195
Interviewers:	SHAHAB SAQIB MUHAMMED	APSCA number RA 21703195

Report writer:	SHAHAB SAQIB MUHAMMED	APSCA number RA 21703195
Report reviewer:	Muhammad Khalid	APSCA number: RA 21704123

Date of declaration: August 02-03, 2021.

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.

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>				Nil
0B	Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1			1. Inadequate training / communication of workers on ethical code as 4 out of 10 workers were not aware of the social and ethical Standards the company upholds.
1.	Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
2	Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
3	Safety and Hygienic Conditions	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	3			1. During site tour, it was observed that Eye guards were missing on Two stitching machines & Belt cover missing on one stitching machine. 2. During site tour, it was observed that workers were not using face mask in cutting, stitching and finishing sections. 3. During site tour, it was observed that emergency evacuation route was partially blocked in stitching section.
4	Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
5	Living Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
6	Working Hours	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil

7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				Nil
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				N/A
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				Nil

General observations and summary of the site:

The audit findings were based upon on-site observation, interview with employees and management and documents & records review.

Positive findings:

1. No child labour was identified during the audit. The factory verifies national identity cards of job applicant and keeps employee's national identity cards copies for record in personal files of employees after recruiting. The youngest worker was above 18 year old and "No Child Labour" signs and policy was displayed on factory gate.
2. No forced labour identified, discrimination, harsh and inhumane treatment was not identified during the audit, employees from the interview and was satisfied with company's management policies.
3. Workers and management interviews with references to document review, effective employment policies & programs were evident.
4. Company sign employment contracts with all employees and provide copies at time of signing contract.
5. The factory conducted fire drill twice per year at production/ area which included fire fighting exercise and evacuation exercise.
6. Drinking water was clean and available for workers in factory.
7. Mr. Sheroz waris (Manager HR & HSE) in charge for Health and Safety arrangements in factory.
8. The factory paid wages on or before the 7th of each month for last month wage by cash/cheque and Bank Transfer to employees as per their employment nature.
9. First aid kits were available in facility; first aider's were trained by Civil defence.
10. Factory had registered their employees in social security, EOBI (employee old age benefit of Govt. of Punjab, Pakistan).

**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:	ZK International																			
B: Site name:	ZK International																			
C: GPS location: (If available)	GPS Address:	Latitude: 31.392008, Longitude: 73.086521																		
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	NTN # 3953525-8 Labour registration Certificate : DLW/F/5741 FCCI Registration certificate : 2106589-5363																			
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturer of knitted garments Production process comprised of Cutting, stitching, checking, pressing, finishing and packing.																			
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>ZK International was established in 2013 and is located at P-841, Street # 6, Al-Masoom Town, and Faisalabad, Pakistan. Factory comprised of 1 block only. The Factory is comprised of basement, Ground floor , first floor and second floor. The main production process are Production process comprised of Cutting, stitching, checking, pressing, finishing and packing.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Basement</td> <td>Store</td> <td></td> </tr> <tr> <td>Ground floor</td> <td>Time office, Security office, checking, packing, Generator and Cutting</td> <td></td> </tr> <tr> <td>First floor</td> <td>Offices & stitching</td> <td></td> </tr> <tr> <td>First floor</td> <td>Fabric storage</td> <td></td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> </tbody> </table> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>F2: Please give details: Structural and non-structural cracks were not found during site tour. Building stability Certificate found available for review.</p> <p>F3: Does the site have a structural engineer evaluation?</p>		Production Building no	Description	Remark, if any	Basement	Store		Ground floor	Time office, Security office, checking, packing, Generator and Cutting		First floor	Offices & stitching		First floor	Fabric storage		Is this a shared building?	No	
Production Building no	Description	Remark, if any																		
Basement	Store																			
Ground floor	Time office, Security office, checking, packing, Generator and Cutting																			
First floor	Offices & stitching																			
First floor	Fabric storage																			
Is this a shared building?	No																			

	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F4: Please give details: Company has acquired building stability form K dated August 04, 2020 from Fakkar associates Ref: PEC 11697.
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
H: Month(s) of peak season: (if applicable)	September, October, November, December
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Manufacturer of knitted Garments Production process comprised of Cutting, stitching, checking, pressing, finishing and packing. Main production equipments are Stitching machines, cutter, press irons etc.
J: 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
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, please give details company did not provide accommodation to workers.

Audit Parameters

A: Time in and time out	Day 1 Time in: 08:58 AM Day 1 Time out: 06:02 pm	Day 2 Time in: 09:02 AM Day 2 Time out:01:40 PM	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	1.5 days X 1 Auditor		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 2 weeks (from July 27 2-21 to August 10,2021. <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Rana Zohaib Khalid (CEO).		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	July 17-18-2020		
J: Previous audit type:	Full Initial		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives

A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	Two members of worker management council were present during audit process.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	Union of workers was not formed by workers in the facility but as a parallel means company has worker management council to resolve workers issues at facility.		

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*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	85	0	0	0	0	0	0	85
Worker numbers – female	13	0	0	0	0	0	0	13
Total	98	0	0	0	0	0	0	98
Number of Workers interviewed – male	7	0	0	0	0	0	0	7
Number of Workers interviewed – female	3	0	0	0	0	0	0	3
Total – interviewed sample size	10	0	0	0	0	0	0	10



A: Nationality of Management	Pakistani	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i>	Countries: Pakistani Country 1: Pakistani total workforce 100% Country 2: 0 Country 3: 0	Was the list completed during peak season? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please describe how this may vary during peak periods:
C: Please provide more information for the three most common nationalities.	Nationality 1 approx 100 % total workforce Pakistani Nationality 2 approx % total workforce 0 Nationality 3 approx % total workforce 0	
D: Worker remuneration (management information)	0 % workers on piece rate 0 % hourly paid workers 100 % salaried workers Payment cycle: 0 % daily paid 0 % weekly paid 100 % monthly paid 0 % other If other, please give details; No	



Worker Interview Summary		
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)	4 employees in 1 Group (4x 1 = 4)	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 4	D2: Female: 2
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. Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 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 <input type="checkbox"/> No	
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent	
H: What was the most common worker complaint?	House keeping and ceiling fan problem in June	
I: What did the workers like the most about working at this site?	Workers were satisfied with the behaviour of managers and overall working condition.	
J: Any additional comment(s) regarding interviews:	Nil	
K: Attitude of workers to hours worked:	Satisfied. Daily normal working time was 8 hours and overtime is voluntarily. Overtime hours are within legal limits of 2 hours a day and 12 hours a week.	
L. Is there any worker survey information available?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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		

Cooperative attitude were observed during the interview process, Workers confirmed that no discrimination is practice in the company. Regular health and safety trainings are conducted to create awareness about the workers safety. Workers confirmed that no Child labour is employed. Workers received wages before 07th day of every month and were satisfied with the benefits provided by company. Workers confirmed that company pay salaries on time and no illegal deduction are made in the factory. Worker confirmed that attitude of management is very much positive and management take care of workers very much. Workers confirmed that they have participated in election process. Workers were aware about the safety procedures. They told that trainings are regularly imparted. Bonus was paid to them. No accidents in last 6 months. Over time is done occasionally. Maximum 2 hours in a day and 12 hour in a week. Double wages of overtime paid, if done. No illegal deductions were not made There is no disparity in providing training. Leave wages are paid along with bonus. Weekly off given after 6 working days.

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

They confirmed that they are free to conduct meeting with members and workers. They confirmed that no discrimination is practiced with them in facility. they were satisfied with the working environment. Regular meetings are held and the grievances are taken care of by the management.

O: Attitude of managers:

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

The facility management was very receptive and showed a positive attitude towards the audit. All documents were provided on timely manner. At the end of the audit, all the non-compliances were accepted by the facility. The management demonstrated a willingness to improve all issues found during the audit. Factory provided full access.

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Company has established human rights and social policy approved by the management and communicated to interested parties.

Businesses should appointed Mr. Sheroz Waris (Manager HR & HSE) for implementing standards concerning Human rights.

Company has established list of suppliers and conducted on site audit or commitment letters are signed from suppliers.

Documents provided during the audit were found transparent during audit process.

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

Details:

1. Human rights and social policy Ref # HRS Policy # 1 dated January 16, 2018.
2. Social Compliance Manual ref # ETI /M/January 12, 2018.
3. Supplier audit records
4. Appointment letter of MR
5. Signed commitment of suppliers for year 2020-2021.

Any other comments:

Nil

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details (mainly applicable for the parent company): Company has policy about human rights. Company has commitment and identify the interested parties, suppliers, local community, and stake holders to implement rule against child labours. Forced labour, discrimination and implementation of requirements for Health and safety, right to collective bargain follows the country and international rule and regulations of labour laws and environmental laws.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Name: Mr. Sheroz Waris Job title: Manager HR and HSE</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Facility has transparent system in place and All documents provided by the facility found transparent.</p>
<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please give details:</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: All documents related workers information were stored in secure place and found in personnel file kept under the supervision of Manager HR & HSE.</p>

Findings	
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation:</p> <p>Nil</p> <p>Local law or ETI/Additional elements / customer specific requirement:</p> <p>Nil</p> <p>Comments:</p>	<p>Objective evidence observed:</p> <p>Nil</p>

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

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 0.5 % %	A2: This year 0.5 % %
B: Current % quarterly (90 days) turnover: 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 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	0.5 %	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: 4 % %	C2: This year 3.8 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	3 %	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: illness injury log sheet maintained.	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 2	F2: This year: Number:2
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	2	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	Last year: 0 % No lost days reported as minor injuries were happened and recorded.	This year: 0 % No lost days reported as minor injuries were happened and recorded.
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months 0 % workers	12 months 0 % workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months 0 % workers	12 months 0 % 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' Auditor examines 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.

Mr. Sheraz Waris (Manager HR & HSE) is responsible to implement ETI base codes also has a good knowledge about the local labour laws as well as the issues related to ILO convention is assisting the Company for implementing the ETI Base Codes and relevant local laws.

The company has copies of laws and regulations; books are maintained. The Facility seeks Regulatory updates relating to workers and workplace from labour department, updates relating to the Environmental regulation from Punjab EPA and Public Works Dept, Punjab.

ETI code of conduct is displayed at various locations in the factory.

ETI code of conduct has been communicated to its supplier and supply chains through courier.

Company also conducted Management review for 2021 to monitor the performance of company regarding social compliance and ETI.

Company also conducted internal audits for 2021 to improve the management system.

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

Details:

1. Social Compliance Manual ref # ETI /M/January 12, 2018.
2. Social Policy
3. Employees Handbook
4. Training records of ETI to workers dated June 07, 2021.
5. Display of ETI code of conduct.
6. Orientation training records for June 2021.

Any other comments:
Nil

Management Systems:

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

- ☐ Yes
☒ No

Please give details: Factory did not subjected to any fines/prosecutions during last 12 months

	according to management interviews and documents review.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has its own policies and procedures on forced labour, child labour, discrimination, harassment & abuse and the policies are posted for worker's reference. The facility conducts training to the workers on legal requirements and ETI base code requirements.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	On the day of assessment, no traces of forced labour, child labour, discrimination, harassment & abuse was observed. All interviewed employees reported that they are treated with dignity and respect.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Workers were provided training by Manager HR and HSE for social responsibilities, legal rights and national and international social compliance norms and ethic practices Training record was available. Training schedule is established and implemented.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training Effectiveness was assessed by interviewing workers and was well understood by the workers
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: ISO 9001:2015 Cert # QAIC/PK/3960-A Valid till 2ND September 2021 from QA International.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Sheroz Waris looks after Human Resource department to ensure the efficient and effective system is in place and workers are aware of their legal rights, company policies.
H: Is there a senior person /manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Sheroz Waris
I: Is there a policy to ensure all worker information is	<input checked="" type="checkbox"/> Yes

confidential?	<input type="checkbox"/> No Please give details: All workers information was provided in their personal files which remain confidential and only accessed by HR Manager.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No J1: Please give details: HR department kept all personal data.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Risk assessment conducted periodically.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: Risk assessment was conducted by the teams from top to operational level.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details:
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details:
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details:
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: Building Approved Plan & Building Stability (Form K)
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 <input type="checkbox"/> No Q1: Please give details:
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details:

S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details:
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Non-compliance:	
1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against customer code: Inadequate training / communication of workers on ethical code as 4 out of 10 workers were not aware of the social and ethical Standards the company upholds. Local law and/or ETI requirement: O.B.4 Suppliers are expected to communicate this Code to all employees. Recommended corrective action: Periodical Training session shall be conducted to improve workers' awareness.	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Worker interview

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Nil

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

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' Auditor 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:

Based on interview with the workers, management and document review, the employees could freely resign with proper notification in advance 30 days minimum.

The employees obtained their job by themselves by seeing advertisement or by recommendation from existing employee; they were not asking or forced to lodge deposits or their identity papers to the factory at time of employment.

During facility visit, workers' interview and document review, there were no traces identified of forced, bonded or involuntary prison labour identified.

Workers were free to leave at the end of the of factory timing as per local law.

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

Details:

- Social Compliance Manual ref # ETI /M/January 12, 2018.
- Checked personnel files of the 10 worker's Contracts, appointment letters, terms and conditions.
- Attendance records for months of June 2021, December 2020, and August 2020.
- Self-Declaration form in personnel file
- Hiring Contracts
- Job description of Security Guards

Any other comments:

N/A

A: Is there any evidence of retention of original documents, e.g. passports/ID's

☐ Yes

☒ No

A1: If yes, please give details and category of workers affected:

B: Is there any evidence of a loan scheme in operation

☐ Yes

☒ No

B1: If yes, please give details and category of worker affected:

C: Is there any evidence of retention of wages /deposits

☐ Yes

☒ No

	C1: If yes, please give details and category of worker affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding:
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding:
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 <input checked="" type="checkbox"/> No F1: Please describe finding: Workers were free to leave at the end of the factory time.
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable G1: If yes, please give details and category of workers affected: The workers are not forced to stay back once they get authorized leave from the management.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please describe finding: Factory has strict controls in their employment practices. Moreover, factory has suppliers' evaluations which cover forced labour also.

Non-compliance:

1. Description of non-compliance:

- ☐ NC against ETI/Additional Elements
☐ NC against customer code:

None observed

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:

Description of observation: Nil	Objective evidence observed: Not Applicable
Local law or ETI requirement: Nil	
Comments: Nil	

Good Examples observed:	
Description of Good Example (GE): Nil	Objective evidence observed: Not Applicable

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

Company recognizes and respects the rights of employees to exercise their lawful rights of free association and collective bargaining. The facility does not discriminate against employees who form or participate in lawful association.

There is neither registered trade union in that area and nor workers entered into any collective bargaining agreement with management of the company however, Workers / Employees of the facility are free to form any association/ committee to address the worker problems and demands. If any permanent employee choose to form any association they can form it by using legal procedure and can register it. Worker Management council has been formed to resolve the issues of the workers and to convey it to the top management. Workers representative election record for June 03, 2021 is evident that workers' rights are being respected.

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

Details:

- Social Compliance Manual ref # ETI /M/January 12, 2018.
- Election Records: Dated June 03, 2021.
- Workers Welfare Council Meeting records: Dated 05-June-2021
- Suggestion Boxes Record
- Worker compliant records

Any other comments:

Nil

A: What form of worker representation/union is there on site?

- ☐ Union (name)
- ☒ Worker Committee
- ☐ Other (specify)
- ☐ None

B: Is it a legal requirement to have a

- ☒ Yes

union?	<input type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Health & safety committee. D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details:	
F: Name of union and union representative, if applicable:	No Registered union in the facility	F1: Is there evidence of free elections? <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?	Worker Council	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: June 03-2021
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 If Yes , please state how many: 2	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Worker council meeting were conducted and workers were aware that their issues have been highlighted.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If Yes , what percentage by trade Union/worker representation	M1: 0% workers covered by Union CBA	M2: 0% workers covered by worker rep CBA

M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: Nil Recommended corrective action: Nil	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not Applicable

Observation:	
Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): Nil	Objective evidence observed: 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' Auditor examines policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

It was verified during the audit that facility has the appropriate Health & Safety Management System, the company has established procedures for Health & Safety and provides safe working environment for all its workers and to eliminate all potential hazards that can cause work related accidents. The facility has systematized mechanism to detect potential risk and hazards associated with the job or present in the work environment which could cause harm/ injury to the workers. The facility provides necessary personal protective equipment for the worker safety. The facility has ensured to provide First Aid assistance to workers and arrange trainings on emergency first aids and fire fighting with intervals. All the workers have been trained on ETI Base Codes, which include requirement on Health and Safety. Training records have been verified for the same and trained by the local labour department through professional management for fire safety and first aid. Company has developed a safety committee to perform the function of fire safety and first aid. Announced and unannounced mock drills are conducted and Photographs were taken during the training programs conducted at the company premises the same were also verified during the audit. In case of emergency and for evacuation during fire, a drill was also conducted in order that employees are made aware of actions during fire accidents, records for the same are maintained which has been verified during the audit.

The observations made indicated that workers are aware of the actions to be taken during emergency situations. Fire drill is held bi annually in which every employee take part and the health & safety officer keeps proper record for this practice. Posters on safety and occupational health issues were also found displayed near the working areas to disseminate information on health and safety related issues. Medical certificates of workers were checked at random from all levels of workers in the company and were found to be in order. Hygiene Card of each employee was also found documented within their files.

Clean drinking water has been made available at identified locations in the company and is easily accessible. It was also found that a water filtration system is installed on each cooler for cleaning and sterilization of water. A water testing report was also found, the test was carried out by the reputable laboratory the results was verified for total dissolved salts and microbial properties and it was found satisfactory. The area where drinking water is made available was found to be safe (hygienic and clean). Management Representative is responsible for communicating, deploying and monitoring Health & Safety policies and practices and ensures compliance to the legal requirements.

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

Details:

- Social Compliance Manual ref # ETI /M/January 12, 2018
- Risk Assessment dated June 05, 2021.
- Fire Drill Record dated: Dated 31 May 2021.
- Fire safety arrangement certificate from Civil Defence Date: 16 March 2021
- Fire fighter training records dated : 06-July-2021
- Fire Extinguishers Inspection dated July 07, 2021
- Electrical safety report dated July 02, 2021.
- Drinking Water Test- dated: Jan 12,, 2021
- Building stability form
- Building Approved Map
- Health and safety Committee meeting dated: dated 12 July 2021.
- First aid training certificate dated : 06-July-2021
- Illuminating Exit Sign and Emergency Lights Inspection dated : 06-July, 2021
- Illness and injury records maintained for July 2021

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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Safety Policy, Emergency situation handling policy, Fire safety Plans and display of boards. Policies were communicated through training and posters in facility.
B: Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: company has established Social Compliance Management system manual
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Approved Map by Building Control Authority Building stability report found available for review. During factory tour, it was noted that company not any structural additions without required permits/inspections.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: During factory tour, it was noted that company also provide the PPEs to visitors.
E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details: First aid box provided with trained first aiders.

rooms suitable for the number of workers.	
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details:
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details:
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details:
I: Are H&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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Risk Assessment
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Monthly meeting were conducted.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Company following PEPA Rule 2012.

Non-compliance:

1. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:
 During site tour, it was observed that Eye guards were missing on Two stitching machines & Belt cover missing on one stitching machine.

Local law and/or ETI requirement:

Section 26(Fencing of machinery)of the Factories Act 1934.

In every factory the following shall be securely fenced by the safeguards of substantial construction which shall be kept in position while the parts of machinery required to be fenced are in motion or in use.

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.

Recommended corrective action:

Factory shall ensure that eye guards & belt cover should be provided on all

Objective evidence observed:

(where relevant please add photo numbers)

NC Photo # 1

stitching machines and ensure effective compliance to the requirement.

2. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:
During site tour, it was observed that workers were not using face mask in cutting, stitching and finishing sections.

Local law and/or ETI requirement:

Section 16 of the Factories Act 1934

In every factory in which, by reason of the manufacturing process carried on, there is given off any dust or fume or other impurity of such a nature and to such an extent as is likely to be injurious or offensive to the workers employed therein, effective measures shall be taken to prevent its accumulation in any work-room and its inhalation by workers and if any exhaust appliance is necessary for this purpose, it shall be applied as near as possible to the point of origin of the dust, fume or other impurity, and such point shall be enclosed so far as possible.

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.

Recommended corrective action:

Factory shall ensure that workers should face mask during operations and training session should be conducted to ensure effective compliance to the requirement.

3. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code:
During site tour, it was observed that emergency evacuation route was partially blocked in stitching section.

Local law and/or ETI requirement:

Section 25 of the Factories Act 1934

A free passage-way giving access to each means of escape in case of fire shall be maintained for the use of all workers in every room of the factory.

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.

Recommended corrective action:

Factory shall ensure that evacuation route should be un-obstructed to ensure effective compliance to the requirement.

NC Photo # 2

NC Photo # 3

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Nil

Objective evidence observed:

Not Applicable

Comments: Nil	
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Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Not Applicable

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

Current systems:

The facility has the policy not to recruit anybody who is less than eighteen years of age. As per complete Labor Code in Pakistan, chapter V relating to the Special Provision for Adolescents and Children, no person who has not completed his fourteenth year shall be allowed to work in any facility. Company has a policy posted on the outside of the gate of the facility and on the notice board that nobody under eighteen years of age can enter the facility for work. The procedure of recruitment states that at the time of recruitment, to verify the age of employees, he/she must not be less than eighteen years of age; the national identity card is being checked for age verification which is only issued by the Govt. of Pakistan to the people who have completed his/her eighteen years of age.

All practices regarding youth employment at the facility appear to be in line with ILO conventions.

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

Details:

1. Social Compliance Manual ref # ETI /M/January 12, 2018.
2. child labour policy and child remediation plan
3. CNIC Copies verification of 10 workers
4. Employment contract
5. Recruitment notices
6. Policy on child labour and remediation

Any other comments:

Nil

A: Legal age of employment:	Age of 18
B: Age of youngest worker found:	Above 18 years old.
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <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? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, give details

Non-compliance:

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

Description of observation: Nil Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Not Applicable
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Good Examples observed:

Description of Good Example (GE): Nil	Objective Evidence Observed: Not Applicable
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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' Auditorsexaminepoliciesandwrittenproceduresin 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 lowest wage paid as per the legal minimum compensation, that the wages were equivalent to the legally prescribed minimum wages i.e. Rs.17,500/- per month. This was done through review of time records and wages record at account office. In addition the company has calculated the basic need wage. The wage need calculation is revised with regular intervals to take the effects of inflation.

Records were checked on sample basis of male, female workers which also include production workers, packers, loader, supervisor, peon, security guards, quality checkers, and machine operators etc. the records were verified and found satisfactory. Wages are always paid through cash / bank transfer. Proof of wage disbursement is evidenced through the wage record and wage slips. A copy of the wage slip is given to the worker, who has to sign on the wage register and the wage slip. The management retains a copy of wage sheet. The payroll slip includes details on employee name, wages paid and deduction details including signatures of employee and employer representative. During the interview, it was verified that all workers were aware of the wages they were entitled and also whether they were comfortable with the mode of payment. Awareness on the deduction on wages was also very good amongst the workers. Wage records were verified that the employer made no deductions from the wages. The only deduction of 1% EOBI, tax, advances or provident fund is deducted.

Overtime was observed during the period and paid double the ordinary rate.

Company allows paid leaves for sickness, injury, and maternity, in addition company is also paying group insurance and disablement benefits.

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

Details:

1. Social Compliance Manual ref # ETI /M/January 12, 2018.
2. Payrolls records & Time records (for 10 employees) for June 2021, December 2020, and August 2020.
3. Production records (from work floors to check for discrepancies)
4. Leave records
5. EOBI contributions for June 2021, May 2021, March 2021.
6. PESSI contribution for June 2021, May 2021, March 2021.
7. Final settlement records

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code:
Not observed.

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:
(where relevant please add photo numbers)

Not Applicable

Observation:

Description of observation:

Not observed

Local law or ETI requirement:

Nil

Comments:

Nil

Objective evidence observed:

Not Applicable

Good Examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

Not Applicable

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 48 hours per week	A1: 52 hours per week	A2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 2 hours per day and 12 hours per week	B1: 2 hours per day	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: Unskilled: PKR 17,500 / month 01.July .2019	C1: Unskilled: PKR 17,500 / month 01.July .2019	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: Double the ordinary rate of wages	D1: Double the ordinary rate of wages	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis: (Click here to return to Key Information)		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
A1: If No , why not?		
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 samples for the months of June 2021, December 2020, and August 2020.	
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	C1: If Yes , please give details:
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	D1: If No , 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 <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	E1: Lowest actual wages found: Note: full time employees and please state hour / week / month etc. Rs. 17,500/- per month 80% of workforce earning min wage 20 % of workforce earning above min wage
F: Please indicate the breakdown of workforce per earnings:	F1: 0% of workforce earning under minimum wage F2: 80% of workforce earning minimum wage F3: 20%% of workforce earning above minimum wage	
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: Yes Company paid Bonus to workers. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week/month etc.	

H: What deductions are required by law e.g. social insurance? Please state all types:	EOBI		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. 1.EOBI 2. Advances Please describe:
		I2: Please list all deductions that have not been made.	1. 2. Please describe:
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: Please give details:		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: Please specify amount/time:		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details:		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: Please give details:		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
P: Is there evidence that equal rates	<input checked="" type="checkbox"/> Yes		

are being paid for equal work:	<input type="checkbox"/> No P1: Please give details:
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: If other, please explain:

6: Working Hours are not Excessive

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

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

The factory provided the attendance records for workers for review during the audit and auditor selected for months of June 2021, December 2020, and August 2020. 10 samples (7 male & 3 female).

The working hours in the factory were recorded through bar code scanning.

Workers worked 8 hours per day, 6 days per week as normal working hours, overtime was performed on urgent business need basis. During record review 4 hours overtime was performed in week and 16 hours per month. The rest day is Sundays. The Maximum working hour per week was 52 hours per week. Overtime was paid double the ordinary rate.

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

Details:

- Social Compliance Manual ref # ETI /M/January 12, 2018.

- Labour contracts of 10 workers
- Payrolls for 10 samples (7 male, 3 female) for June 2021, December 2020, and August 2020.
- Time records (for 26 samples for June 2021, December 2020, and August 2020.
- Production records (from work floors to check for discrepancies)
- Leave records
- Overtime records

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

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

Not 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:

Description of observation:

Not Observed

Local law or ETI requirement:

Nil

Comments:

Nil

Objective evidence observed:

Not Applicable

Good Examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

Not Applicable

Working hours' analysis Please include time e.g. hour/week/month (Go back to Key information)			
Systems & Processes			
A. What timekeeping systems are used: time card etc.	Describe: Bar code scan and face scanner		
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details		
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:	
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	D1: If YES, please complete as appropriate:	
		<input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other	
		If "Other", Please define:	
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: All workers are permanent and will be paid double overtime rate.	
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	Maximum number of days worked without a day off (in sample):		
	Rest day provided in a week.		

Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	G1: If yes, % of workers & frequency: 20% workers worked 2 hours per day.
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: Highest OT hours: 4 hours per week and 2 hours per day.	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	30%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: 200% of ordinary rate.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency:
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	

complete the boxes where relevant.	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other
	As per the legal requirement the overtime hours are to be compensated at double the ordinary rate of wages (200%).
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:
	Nil
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: If yes, please give details:
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

Current systems:

There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal, and retirement found. Company employed male and female workers.

Complaints / Suggestions boxes were installed at different places for identification of any kind of discrimination.

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

Details:

- Social Compliance Manual ref # ETI /M/January 12, 2018.
- Policy and procedure for the discouragement of discrimination
- Appointment Letter checked for 10 samples (7 male & 3 female)
- Confirmation Letter checked 26 samples of workers
- Contract Agreement
- Policy on Discrimination
- Notice board.

Any other comments:

Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: 87 % A2: Female13 %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found

	C1: Please give details:
--	--------------------------

Professional Development	
A: What type of training and development are available for workers?	In-house Training.

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

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Not Observed Local law and/or ETI requirement: Nil Recommended corrective action: Nil	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not Applicable

Observation:	
Description of observation: Not observed Local law or ETI requirement: Nil Comments: Nil	Objective evidence observed: Not Applicable

Good Examples observed:

<p>Description of Good Example (GE):</p> <p>Nil</p>	<p>Objective Evidence Observed:</p> <p>Not Applicable</p>
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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' Auditor examines policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

The company provides regular employments and does not practice the way of home-workers.

Based from document review it was found that in workers file, both parties (workers and company) signed the employment contract and each party keeps copy of it.

At the time of induction an employment contract is signed by both of parties which state all term & conditions of employment. The employees' files contain objective evidence relating to the age of the workers, the same were checked and it was verified that people had more than required age when they were employed.

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

Details:

- Social Compliance Manual ref # ETI /M/January 12, 2018.
- Labour contracts for 10 worker samples
- Payrolls for 10 worker samples for June 2021, May 2021, March 2021.

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code:
Not Observed

Local law and/or ETI requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:
(where relevant please add photo numbers)

Not Applicable

Observation:

Description of observation:

Not Observed

Local law or ETI requirement:

Nil

Comments:

Nil

Objective evidence observed:

Not Applicable

Good Examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

Not Applicable

Responsible Recruitment

All Workers

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

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

A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:

B: Did workers' pay any fees,

☐ Yes

<p>taxes, deposits or bonds for the purpose of recruitment/placement?</p> <p>C: If yes, check all that apply:</p>	<p><input checked="" type="checkbox"/> No</p> <p>B1: If yes, please describe details and specific category(ies) of workers affected:</p> <p> <input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: </p>
D: If any checked, give details:	N/A

Migrant Workers:

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

A: Type of work undertaken by migrant workers:	N/A	
B: Please give details about recruitment agencies for migrant workers:	<p>B1: Total number of (in country recruitment agencies) used:</p> <p>B2: Total number of (outside of local country) recruitment agencies used:</p>	
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?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>C1: Please describe finding:</p>	C2: Observations:
<p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p>Migrant Workers (this should include all</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>D1: If yes, number and example of roles:</p>	

migrant workers including permanent workers, temporary and/or seasonal workers)

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1– If other, please give details:
C: If any checked, give details:	N/A

Agency Workers (if applicable) (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.)	
A: Number of agencies used (average):	A1: Names if available: N/A
B: Were agency workers' age/pay/hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Were sufficient documents for agency workers available for	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

review?	
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please give details:
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: Please give details:

<p align="center">Contractors:</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>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details:
B: If Yes , how many workers supplied by contractors?	
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please describe finding:
D: If Yes , please give evidence for contractor workers being paid per law:	

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

Current systems:

As confirmed by the facility management and as observed during the facility walk through it was confirmed that the facility has most of the production process in-house cutting, stitching, finishing and packing. Verified through document review, factory tour, management interview and employee interview that no sub-contracting & Home-working was used by this factory.

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

1. Production records
2. Gate Pass
3. Payment Vouchers

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

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		

Process Subcontracted	Process 3	Process 4
Name of factory		
Address		

Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Details:

Non-compliance:

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

Good Examples observed:	
Description of Good Example (GE): Nil	Objective Evidence Observed: Not Applicable

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

contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <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 <input type="checkbox"/> No G1: Please give details:		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: The facility does not have anonymous and / or open channels for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party.
B: If Yes , are workers aware of these channels and have access? Please give details.	
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Compliant box Worker management council
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input checked="" type="checkbox"/> Communities <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Through email for interested parties Compliant boxes and suggestion forms. Yearly meetings.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details
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)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: If no, please give details
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain

H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No I1: If yes, please give details

Current Systems and Evidence Examined

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

Current systems:

As per the interviewed employee's testimony, all employees are treated with dignity and respect and there were no signs of physical abuse, sexual or other harassment and verbal abuse.

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

Details:

- Social Compliance Manual ref # ETI /M/January 12, 2018.
- Grievance Policy & Procedure
- Anti-Harassment Policy and training records
- Policy & procedure to involve the workers in the workplace
- Disciplinary Policy
- Complaint records

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:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

Not Applicable

Observation:

Description of observation:

Nil

Local law or ETI requirement:

Nil

Comments:

Nil

Objective evidence observed:

Not Applicable

Good Examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

Not Applicable

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

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

Additional Elements

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

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

Current Systems and Evidence Examined

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

Current systems:

There are no foreign nationals employed onsite.

All employees' personal data files have photocopies of documentation showing that they have local citizenship and do not need special permission to work in the factory.

The facility does not also have contractual employees and all employees are on facility payroll.

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

Details:

1. Employee Attendance record
2. Personal data files (10 personnel files were checked for proof of identity documentation)

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements ☐ NC against Local Law

☐ NC against customer code:

Nil

Local law and/or ETI /Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

(where relevant please add photo numbers)

Nil

Observation:

Description of observation:

Nil

Local law or ETI/Additional Elements requirement:

Nil

Comments:

Nil

Objective evidence observed:

Nil

Good examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

Nil

10. Other issue areas 10B4: Environment 4–Pillar

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

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

B.4. Compliance Requirements

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

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

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

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

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

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

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

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

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

B4. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

The factory management maintained all legally required environmental documents • Most of the legally required certificates including the registration form of environmental impacts of the construction, Approval of environmental impact assessment document and the environmental protection check and acceptance were available and valid during this audit. • The annual monitoring report for waste air and water showed the pollutant discharging was compliant with environmental law. Based on observation on site, wastes were classified and collected on site. • Based on worker's interview, they were trained on environmental protection. Company has established Environmental policies and environmental management system. The facility has a proper practice to handle the waste of the facility. The overall cleaning condition of the facility is satisfactory. Company has established Environmental policies and environmental management system. The facility has a proper practice to handle the waste of the facility.

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

Details:

1. Social Compliance Manual ref # ETI /M/January 12, 2018.
2. Environmental policy.
3. Environmental NOC
4. Energy bills 2020-2021
5. Water bill 2020-2021
6. Waste Records June 2021.
7. Waste Outward Gate pass
8. Aspect impact Analysis Reports
9. Stack emission report Jan 12,,2021
10. Waste water test report Jan 12,,2021
11. All legally required environmental documents were provided for review.
12. Worker and management interview.

Any other comments:

Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements ☐ NC against Local

☐ NC against customer code:

Nil

Local law and/or ETI/Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

Nil

Observation:

Description of observation:

Nil

Local law or ETI/Additional elements requirements:

Nil

Comments:

Nil

Objective evidence observed:

Nil

Good examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

Nil

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Sheroz Waris (Manager HR and EHS)
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: risk assessment and aspect impact assessment was conducted.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	If yes, is it publicly available? Displayed at notice boards
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Minimize impact of operations on environment
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environmental NOC issued by Govt of Punjab, Aspect Impact assessment, Noise Test, Gas emission test.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Please give details: Factory does not use any hazardous chemicals.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reduce 14 % water consumption annually through

emissions:	water saving tabs. Reduce electricity usage by 9% till December 2021. Reduce 8 % reduction in usage of diesel.	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: waste is handed over to approved waste collector approved by EPA Punjab.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through electricity and water bills which includes the consumption details.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory communicated their environment policies to their suppliers and encourage them to follow the policies.	
Usage/Discharge analysis		
Criteria	Previous Year: Please state period: Jan 2020- June 2020.	Current Year: Please state period: July 2020- July 2021
Electricity Usage: Kw/hrs	160816.5	150300
Renewable Energy Usage: Kw/hrs	0	0
Gas Usage: Kw/hrs	N/A	N/A
Has site completed any carbon Footprint Analysis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes , please state result	85.173 TONS	80 TONS
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> Local Water 	<ul style="list-style-type: none"> Local Water
Water Volume Used: (m ³)	<ul style="list-style-type: none"> 1155.3045 	1035
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> Municipal Sewerage 	<ul style="list-style-type: none"> Municipal Sewerage
Water Volume Discharged: (m ³)	1033.5	1029
Water Volume Recycled: (m ³)	N/A	N/A

Total waste Produced (please state units)	488701 KG	453444 KG
Total hazardous waste Produced: (please state units)	8 Kg	7Kg
Waste to Recycling: (please state units)	0	0
Waste to Landfill: (please state units)	N/A	N/A
Waste to other: (please give details and state units)	Incinerate 22 KG	Incinerate 7 KG
Total Product Produced (please state units)	25000 production in Operation	26000 production in Operation

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Compliance Requirements

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

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

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

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

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

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

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

10C. Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current systems:

The company manager is the designated person responsible for implementing standards concerning Business Ethics, and that site practices were conducted without any corruption and/or bribery.

The company established a business ethics policy which was communicated to workers through posters and training.

The site had received and read the Business Ethics policy of the company.

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

Details:

The company business ethics policy including;

1. Bribery
2. Corruption Training records
3. Worker handbook

Any other comments:
Nil

Non-compliance:

1. Description of non-compliance:

☐ NC against ETI/Additional Elements

☐ NC against Local

☐ NC against customer code:

Nil

Local law and/or ETI/Additional Elements requirement:

Nil

Recommended corrective action:

Nil

Objective evidence observed:

Nil

Observation

Description of observation:

Nil

Local law or ETI/Additional elements requirement:

Nil

Comments:

Nil

Objective evidence observed:

Nil

Good examples observed:

Description of Good Example (GE):

Nil

Objective Evidence Observed:

Nil

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

- ☒ Internal Policy
☒ Policy for third parties including suppliers

Please give details: there is a written policy on the need to

	avoid bribes and fraudulent practice Business Ethical trainings has been conducted on periodical basis.
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training given & relevant personnel know the policy
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Examined each year by HR department and adjusted if needed
D: Does the site require third parties including suppliers to complete their own business ethics training	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Other findings

Other Findings Outside the Scope of the Code
Nil

Community Benefits <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>
Nil

Appendix 1

<p>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</p> <p><input checked="" type="checkbox"/> Not Applicable please x</p>	
<p>NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>	<p>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Universal Rights covering UNGP	0.A. Universal Rights covering UNGP
<p>0.A. Guidance for Observations</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>N/A</p>
0.B. Management Systems & Code Implementation	0.B. Management Systems & Code Implementation
<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</p>	<p>N/A</p>

<p>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>	
ETI 1. Forced Labour	ETI 1. Forced Labour
<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>	N/A
ETI 2. Freedom of association and the right to collective bargaining are respected	ETI 2. Freedom of association and the right to collective bargaining are respected
<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>	N/A
ETI 3. Working conditions are safe and hygienic	ETI 3. Working conditions are safe and hygienic
<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 & 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</p>	N/A

workers. 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.	
ETI 4. Child labour shall not be used	ETI 4. Child labour shall not be used
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.	N/A
ETI 5. Living wages are paid	ETI 5. Living wages are paid
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.	N/A
ETI 6. Working Hours are not excessive	ETI 6. Working Hours are not excessive
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	N/A

<p>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 all of the following are met:</p> <ul style="list-style-type: none"> – 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. <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>	
ETI 7. No discrimination is practised	ETI 7. No discrimination is practised
<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>N/A</p>
ETI 8. Regular employment is provided	ETI 8. Regular employment is provided
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use</p>	<p>N/A</p>

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

<p>of local and international laws and regulations including having necessary permits.</p> <p>10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.</p> <p><i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p>B.4. Compliance Requirements</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>B4. Guidance for Observations</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>	N/A
Business Practices Section	

<p>10C. Compliance Requirements</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>10C. Guidance for Observations</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>	<p>N/A</p>
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Photo Form

Non Conformity

		
Eye guards were missing on Two stitching machines & Belt cover missing on one stitching machine.		
		
Workers were not using face mask in cutting, stitching and finishing sections.		
	N/A	N/A

Emergency evacuation route was partially blocked in stitching section.	N/A	N/A
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Labour Certificate	PHMA Membership	Building Stability form
		
Factory Map	Registration Certificate	Fire safety certificate

<p>Company Name: NTN</p> <p>Address: NTN</p> <p>City: NTN</p> <p>Country: NTN</p> <p>Phone: NTN</p> <p>Fax: NTN</p> <p>Website: NTN</p> <p>Product: NTN</p> <p>Material: NTN</p> <p>Quantity: NTN</p> <p>Value: NTN</p> <p>Weight: NTN</p> <p>Volume: NTN</p> <p>Logistics: NTN</p> <p>Logistics Code: NTN</p>	
<p>Product Code: NTN</p> <p>Material Code: NTN</p>	<p>Product Name: NTN</p> <p>Material Name: NTN</p>

NTN



Electrical safety report



Environmental NOC



Main gate



Offices



Labor law abstract








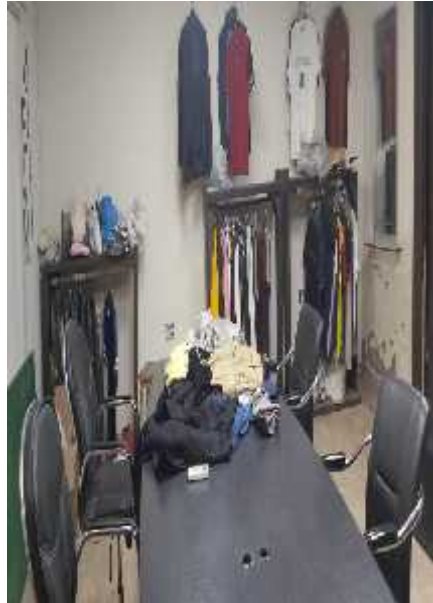
Fabric storage








Cutting



Stitching

		
Pressing	Finishing & Packing	Accessories store
		
Storage of product before final packing	Emergency exit light	Sample display room

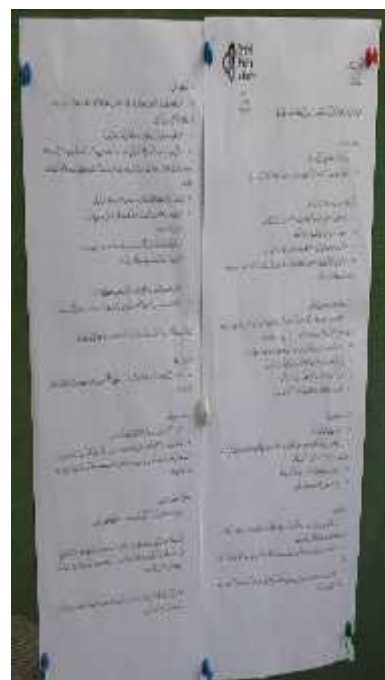
		
Complaint Box	Drinking water Point	Drinking water Point
		
Fire Alarm point	Evacuation Plan	Gazette leaves display



Fire extinguisher



Fire extinguisher



Display of ETI Code of conduct



Male Wash room



Female wash room

HAZARDS AND RISK ASSESSMENT

Process	Prevalence	Severity	Frequency	Control	Residual	Control	Residual	Control	Residual	Control	Residual
1. Raw material	High	High	High	Control	High	Control	High	Control	High	Control	High
2. Production	High	High	High	Control	High	Control	High	Control	High	Control	High
3. Distribution	High	High	High	Control	High	Control	High	Control	High	Control	High
4. Sales	High	High	High	Control	High	Control	High	Control	High	Control	High
5. After sales	High	High	High	Control	High	Control	High	Control	High	Control	High

Risk assessment

		
Health and safety committee meeting	Fire safety Inspection records	Fire safety and First aid records



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:

Click here for Buyer (A) & Buyer/Supplier (A/B) members:

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

Click here for Supplier (B) members:

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d

Click here for Auditors:

<https://www.surveymonkey.co.uk/r/BRTVCKP>