



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference (only available on Sedex System)	ZC: 3047543	Sedex Site Reference (only available on Sedex System)	ZS: 173745823
Business name (Company name):	Elegant Fabrics		
Site name:	Elegant Fabrics		
Site address (Please include full address)	Punj Puli, Laxsoni Road, Faisalabad, Pakistan	Country:	Pakistan
Site contact and job title:	Mr. Abid Ali (Director)		
Site phone:	+92 300 8890000	Site e-mail:	ah@elegantfabrics.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	12/02/2021		

Audit Company Name & Logo: SGS Pakistan Private Limited 	Report Owner (payer): (if paid for by the customer of the site please remove for Sedex upload) Elegant Fabrics
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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 <http://www.sedex.com/audit-verify>.

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 5.1 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 ET code / SMETA Additions & local law and recorded as non-compliance 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 'Violences of compliance between ET code / SMETA Additions' local law and customer code' shall be noted in the observations section of the CAPR.

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

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

Lead auditor: Wasim Gul Khan

APSCA number: RA21704191

Lead auditor APSCA status:

Registered Auditor

Team auditor: Nil

Interviewers: Wasim Gul Khan

APSCA number: RA21704191

Report writer: Wasim Gul Khan

APSCA number: RA21704191

Report reviewer: Rabia Saif

Date of declaration: 29-06-2021

Note: The focus of this ethical audit is on the ET Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will 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 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 provision 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 the 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 the 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 refer to the issue title in guidance to the appropriate audit module relevant. Note in audit, please ensure the referencing the audit report, hyperlinks omitted)	Area of Non-Conformity (This checklist refers to the 4 non-conformity, and only in the last column the non-conformity can be found)				Record the number of Issuance No(s)			Findings (note in audit, ensure it is clear what is possible NCs, (Issue of 00)
	SE Non-Code	Location	Additional Remarks	Customer Code	NC	Obs	MR	
0A	Minimum Rights covering UNGP		<input type="checkbox"/>	<input type="checkbox"/>				
0B	Management systems and code implementation		<input type="checkbox"/>	02	<input type="checkbox"/>	01		<ul style="list-style-type: none"> • NC: During workers interview it was evident that most of workers not found aware about the social policies and procedures as well as grievance mechanism that how to file complaints are worked. (Refer up audit dated 29.06.2021) Factory has provided the awareness to workers about the social policies and procedures as well as grievance mechanism. NC No has closed • NC: Though factory has established the Policy and Procedure however documented the Assessment was not carried out as per requirement. (Refer up audit dated 29.06.2021) Factory has carried out the policy and procedure risk assessment. NC No has closed

									<ul style="list-style-type: none"> • NC: Factory has not established the Corrective and Preventive Action mechanism to take the root cause investigation and Corrective & Preventive action against the non-compliance as noted during external audit, as during document review it was evident that some of non-compliances carried over <u>Follow up audit dated 29-06-2021</u> Factory has established the Corrective and Preventive action & root cause analysis Procedures and recorded the corrective actions. NC No longer Closed
1.	Ready to work Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
2	Freedom of Association	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	01			<ul style="list-style-type: none"> • NC: During Document Review it was evident that Factory has not established the election of Worker management Council through ballot box as required by law <u>Follow up audit dated 29-06-2021</u> Factory has carried out the Election of WMC as per legal Requirement. NC No longer Closed
3	Safety and Health Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	07			<ul style="list-style-type: none"> • NC: During site tour, electrical wiring was found unsafe in generator area and office room as it was naked and uncovered. However,

									<p>Electrical Panel was also found blocked with Production cable in adjacent section. <u>Follow up audit dated 29/06/2021</u> Factory has covered the electrical wiring of said departments. NC - No Issue Closed</p> <ul style="list-style-type: none"> • NC: Though Factory has obtained the Electrical Inspection Ref No. EP/03/26-ED-17 however detailed electrical inspection Report was not found available as required by Electrical Rules 1957. <u>Follow up audit dated 29/06/2021</u> Factory has obtained the detailed electrical inspection report from approved authority. NC - No Issue Closed • NC: Though Factory has carried out Risk Assessment, however, Risk level either Qualitative or Quantitative was not found documented against process hazards. Moreover, Risk associated with prepared section was also not found controlled. <u>Follow up audit dated 29/06/2021</u> Factory has conducted the risk assessment of female employees and documented the risk level through qualitative or quantitative. NC - No Issue Closed • NC: During interview it was evident that Health and Safety committee members could not demonstrate the knowledge about the protocol
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									<p>which training adopt by organization during the emergency.</p> <p>Follow up audit (dated 29-06-2021) Factory has provided the training about safety protocol to health and safety committee.</p> <p>MC - No Issue Closed</p> <ul style="list-style-type: none"> • NI: During Document Review it was evident that factory has not carried out the Medical Test Program Test of employees as required by Law Section 23 of The Factories Act, 1948. <p>Follow up audit (dated 29-06-2021) Factory has conducted the medical test of all employees and in legal equipment.</p> <p>MC - No Issue Closed</p> <ul style="list-style-type: none"> • NI: During Site Visit it was evident the Factory store the Diesel Oil in premises without Secondary Containment and MSDS. <p>Follow up audit (dated 29-06-2021) Factory has replaced the secondary containment and display the MSDS under display.</p> <p>MC - No Issue Closed</p> <ul style="list-style-type: none"> • NI: During Site Visit it was noted that Vaporizers not provided in Drinking water point and site Drinking water area was found uncleaned. <p>Follow up audit (dated 29-06-2021) Factory has replaced the vaporizer and cleaned the drinking water area test / cleaned.</p> <p>MC - No Issue Closed</p>
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4	OHS Labour	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	N		<p>During Document Review, it was noted the Age Proof Documents for OHS of employees out of 10 was not found available. <u>Follow up audit dated 29/06/2021</u> Factory has placed the age proof document of employees in personnel file. MC Status Closed</p>
5	Living Wages and Benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	N		<ul style="list-style-type: none"> • MC: During Review of Production Register, it was noted that factory was operational on weekly rest in the month of December 2020 (26th December 2020), but factory has not made Payment against working on rest day. <u>Follow up audit dated 29/06/2021</u> Factory has made payment against working on weekly rest. MC Status Closed • MC: It was noted during document review, that factory was not issuing the safety slip to employees. <u>Follow up audit dated 29/06/2021</u> Factory has started issuing the safety slip of employees per requirement. MC Status Closed • MC: During Review of Record , it was noted the Factory was not paying EOB and PEOB of eligible employees as factory is paying EOB

									and PMSB only 20 employees instead of all employees <u>Follow up audit dated 29/06/2021</u> Factory has paid ECR and PMSB of all employees currently in the facility. MC - No Issue Closed
6	Working Hours	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	01			• MC: There is some inconsistency between Production Record and Time Record was found as it was not during production record that factory was in operational on weekly but in month of December is 20 122000 but Time Record was showing that factory was not in Operational during that date. <u>Follow up audit dated 29/06/2021</u> Factory has developed procedure to ensure integrity & consistency of record related to Payroll as per requirement MC - No Issue Closed
7	Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
8	Unsafe Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8A	Sub-Contracting and Outsourcing		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
9	Health or Humane Treatment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10A	Detainment at Work		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

100	Equipment 2-File		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
104	Equipment 4-File		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
100	Subsidiary		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

General observations and summary of the site

Site Summary

- ▶ The product manufactured at this site is Home Tools
- ▶ Overall responsibility for meeting the standards is held by Mr. Ashar Imam (HR & Compliance Officer)
- ▶ The youngest worker on site was 20 years old.
- ▶ There is no union at the factory.
- ▶ Worker Management Council was present during the opening / closing meeting and audit as well.
- ▶ There is 100% male in management and among workers.
- ▶ Site has consistent trade throughout the year.
- ▶ 10 workers were selected for interview including 05 males and 05 female employees, they were interviewed as a group of 10 and the balance of 05 workers were interviewed individually.
- ▶ All workers said they were satisfied with their employment at the factory.
- ▶ They also said they were able to make suggestions to their supervisors and team leaders and sometime they had seen these suggestions noted.
- ▶ 10 Records show wages and hours were taken for 3 months (January 2021, July 2020 and March 2020)
- ▶ Standard hours rate was on average 48 hours/month with 1 day off in every 7 day period.
- ▶ Legal minimum wages are paid to all workers in accordance with local law.
- ▶ Correct OT rate were paid. Workers were paid 200% of minimum wage for normal O/Hours, 300% for overtime / festive/holiday.

Please note the table above records the total number of Non-compliance (NC), Observations (Obs) and Good Examples (GE). The greater the number an indication of problem areas but does not detail quantities of each issue - Reviewers need to check audit results by clause.

Site Details

Site Details																				
A: Company Name:	Elegant Fabrics																			
B: Site name:	Elegant Fabrics																			
C: GPS location: (if available)	GPS Address: 232 FB, Realiy Wala road, near cotton factory, Rajalabud	Latitude: 31.4525149 Longitude: 73.0671836																		
D: Applicable business and other legally required license numbers and documents, for example, business license number, liability insurance, any other required government inspections	Labour Certificate No. DLW/FPSD/5535 NTN: 3612355-2 Note: All legal licenses are valid and do not require validity or expiry dates.																			
E: Product Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Home Textile																			
F: Site description: (Include site location and age of site. Also include structure and number of buildings)	<p>Elegant Fabrics is manufacturer and exporter of Home Textile established in 2010, located at . Punj Pal, Laxmi Road, Rajalabud. Total area of factory is 6600 sq. ft. Factory has one Production Building. Total area of factory is 57241 Sq. Ft. This is Rental Building owned by (Sajid Akbar) and having complex building consist of Ground and First Floor. Elegant Fabric Process carrying out in Ground floor on rental basis only whereas First Floor owned by Building owner. Audited area is only Ground Floor.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remarks, if any</th> </tr> </thead> <tbody> <tr> <td>Ground Floor</td> <td>Fabric Store, Cutting, Stitching, Press, Packing, Finishing.</td> <td>Nil</td> </tr> <tr> <td>Floor 2</td> <td></td> <td></td> </tr> <tr> <td>Floor 3</td> <td></td> <td></td> </tr> <tr> <td>Floor 4</td> <td></td> <td></td> </tr> <tr> <td>Is this a shared building?</td> <td></td> <td></td> </tr> </tbody> </table> <p>R: Below, please add any extra rows if appropriate.</p> <p>P: Visible structural integrity issues (large cracking observed)?</p>		Production Building no	Description	Remarks, if any	Ground Floor	Fabric Store, Cutting, Stitching, Press, Packing, Finishing.	Nil	Floor 2			Floor 3			Floor 4			Is this a shared building?		
Production Building no	Description	Remarks, if any																		
Ground Floor	Fabric Store, Cutting, Stitching, Press, Packing, Finishing.	Nil																		
Floor 2																				
Floor 3																				
Floor 4																				
Is this a shared building?																				

	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No R: Please give details:</p> <p>R1: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>R2: Please give details: Facility has obtained building stability certificate "Form K" from Engineer M.H. Rashid (Reg No. Civil 7790) and in this certificate above firm certified that they have carried out a detailed survey of the building and material which was found satisfactory.</p>
G. Site function:	<p><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"/> Pick Home <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor</p>
H. Month(s) of peak season: (if applicable)	Consistent Business
I. Process overview: (Include product to be produced, main operations, number of production lines, main equipment used)	<p>Products (Home Textile)</p> <p>Main Operation (Home Textile)</p> <p>Fabric Receiving → Cutting → Stitching → Checking → Final Inspection → Packing → Dispatch</p> <p>Production Lines: 01</p> <p>Main Equipment Stitching Machine: 04 Cutting machine: 01 Baling Press: 01</p> <p>Sub-Contracting Services</p> <p>Nil</p>
J. What form of worker representation / union is there on site?	<p><input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee (Worker Management Council) <input type="checkbox"/> Other (specify) <input type="checkbox"/> None</p>
K. Is there any night production work at the site?	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: 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 M1: If yes, approx. % of workers
N: Were offsite provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N1: If no, please give details: No Accommodation is provided

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 09:15 A2: Day 1 Time out: 1800	A3: Day 2 Time in: A4: Day 2 Time out:	A5: Day 3 Time in: A6: Day 3 Time out:
B: Number of auditor days used:	01 MD (01 Auditor x 01 Day)		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic (Last Audit conducted in Month of 05th January 2021) <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: 02 weeks (03/02/2021 to 19/02/2021) Follow up dated: 29/06/2021 (02 weeks (29/06/2021 to: 15/07/2021) <input type="checkbox"/> Unannounced		
E: Was the Sedex IQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not?		
F: Any conflicting information (SQ/Pre-Audit info to Audit finding)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please capture detail in appropriate audit by close		
G: Who signed and agreed CAAP (Name and job title)	Mr. Abid Ali (Director)		
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:	05/01/2021		
J: Previous audit type:	SEDEX 4 pillar		
K: Were any previous audits reviewed for this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A During Review of Previous Audit finding, it was observed that factory still has not taken the Corrective Action against Non-Compliance related to Health and Safety, Freedom of Association hence it is carried over.		
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 represent)	Worker Management Council was Present during Opening Closing Meeting and audit.		
E: If Union Representatives were not present please explain reasons why (only complete if no union represent)	No Labour Union is Exist- Factory has established Worker Management Council in Pakistan mean.		

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 previously engaged in a temporary basis in another country region to seek and engage in a remunerated activity.

Worker Analysis								
	Local			Migrant			None workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers - Male	40	00	00	00	00	00	00	40
Worker numbers - female	00	00	00	00	00	00	00	00
Total	40	00	00	00	00	00	00	40
Number of Workers interviewed - male	00	00	00	00	00	00	00	00
Number of Workers interviewed - female	00	00	00	00	00	00	00	00
Total - interviewed sample size	00	00	00	00	00	00	00	00

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 deviation)	01 Group of 04 workers - 04
D: Number of individual interviews: (Please see SMETA Best Practice Guidance and Measurement Criteria)	D1: Male: 04 D2: Female: 02
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 provide such as security and catering staff as well as workers supplied by other contractors. <small>Note to auditor: please record details of migrant (agency) contractor workers in section 8 - Regular Employment, under Responsible Recruitment</small>	<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?	All workers interviewed had a positive attitude towards management and co-workers
I: What did the workers like the most about working at this site?	Working environment, on time payment
J: Any additional comment(s) regarding interviews	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general
K: Attitude of workers to hours worked:	Workers expressed that they sometimes wanted to work extra, to earn more money, however they could turn down overtime if they wanted
L: Is there any worker survey information available?	

<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No U: 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
<p>10 workers were selected for interview including 06 males and 02 female employees. They were interviewed as 01 group of 04 and the balance of 06 workers were interviewed individually.</p> <p>The workers were assured of confidentiality and they spoke freely of their views of the factory. All workers said they were satisfied with their employment at the factory and that they were satisfied with the current wages which in their view were in line with wages in the locality.</p> <p>They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.</p> <p>They could make suggestions to their supervisors and team leader and sometimes they had seen their suggestions used.</p> <p>They felt able to complain directly to their supervisors but also felt free to give their general concerns, such as food quality / health and safety to their worker representative who would take it to the worker management committee.</p>
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
<p>During audit interview was conducted with the members of "Worker Management Council" Worker representatives were found happy and comfortable with management attitude. Worker representatives did not share any negative information about the factory management.</p>
O: Attitude of managers: (Include attitude to audit, and audit process. Both positive and negative information should be included)
<p>The factory management had a system in place to check their current practices against their clients' requirements and the local law, and they took notice of the findings of the internal audit team and had implemented a Health & Safety committee to take care of health and safety concerns. Mr. Asher Isaac (HR & Compliance Officer) is responsible for implementing legal and code standards and responsible to conduct internal audits. Management of the facility found very co-operative and positive toward audit process and showed commitment to fulfil all pointed out non-conformances on immediate basis.</p>

Audit Results by Clause

0A: Universal Rights covering UNDP

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

0A: Guidance for Observations

- 0A.1 Business 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.
- 0A.2 Business should have a designated person responsible for implementing standards concerning Human rights.
- 0A.3 Business should identify their stakeholders and assess issues.
- 0A.4 Business should measure their direct, indirect, and potential impacts on stakeholders/rights holders human rights.
- 0A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
- 0A.6 Business should have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisal towards the reporter.

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

Current Systems and Evidence Examined

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

Current systems:

- Facility has human rights policy and commits it to respect human rights.
- Facility has designated person i.e. Mr. Azhar Imran (HR& Compliance Officer) is responsible for implementing standards concerning Human rights.
- Suggestion and complaint boxes are mounted at several locations within the facility for confidentially reporting and dealing with human rights impacts without fear of reprisal towards the reporter.

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

Details:

- Human rights policy
- Employee training records
- Worker interviews

Any other comments:

A: Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Facility has written policy commitment to respect human rights.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Mr. Achar Imran Job title: HR & Compliance Officer
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details: Suggestion and complaint boxes are mounted at several locations where workers can report any concern anonymously.
D: Does the grievance mechanism meet UNDP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If no, please give details
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Personal data confidentiality clause found written on worker's employment contract

Findings

Finding: Observation <input type="checkbox"/>	Company NC <input type="checkbox"/>	Objective evidence observed:
Description of observation:		
local law or EHS/Additional elements/ customer specific requirement:		
Comments:		

Good examples observed:

Description of Good Example (GE):	Objective Evidence Observed:
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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 etc over the year (annual/worker turnover)	A1: Last year: 2020 .5 %	A2: This year: (2021) January and Feb. 2021 2 %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the last day of the 90-day 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	1.1 %	
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 of available workdays in the year	C1: Last year 1.2 %	C2: This year (2021) 1.3 %
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	1.5	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Management keeps injury accident log	
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: 2020 Number: 00	F2: This year: 2021 Number: 00
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	00	
H: Lost day work cases per 100 workers: (Number of lost days due to work accident and work related injuries * 100) / Number of total workers	H1: Last year: 2020 00	H2: This year: 2021 00
I: % of workers that work on average more than 48 standard hours/ week in the last 6 / 12 months:	I1: 6 months ___00___ % workers	I2: 12 months 00___ % workers
J: % of workers that work on average more than 60 to 64 hours/ week in the last 6 / 12 months:	J1: 6 months ___00___ % workers	J2: 12 months ___00___ % workers

08: Management system and Code Implementation[Click here to return to summary of findings](#)

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

Current Systems and Evidence Examined

To complete current systems Auditors examine policies and written procedures in conjunction with relevant managers. It is intended, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant local laws is carried out, who is responsible for the management of the form of the code. Evidence checked should detail any documentary or media evidence shown to support the systems.

Current systems:

- Facility has established, documented, maintained and effectively communicated Social compliance policy and procedure in the factory. As per policy 'Elegant Fabrics is committed to provide a workplace environment complying and compatible with all applicable laws. The facility discourages discrimination, employment of child and forced labour, harassment/abuse or corporal/punishment and all other activities that contradict with local laws and buyer's code of conduct'.
- Local government departments like Labour Department is conducting Annual inspections of factory. last visit conducted on dated 12.11.2020
- Facility management was found aware of local law requirements concerning, child labour, wages, hours of work, health and safety, environments etc. and has subscription of different law websites, recent update has been received from labour departments for revision of minimum wages (The Punjab Gazette 2019)
- Facility has appointed Mr. Athar Inman (HR & Compliance Officer) to ensure implementation of local law and international labour standards requirement and during interview Mr. Athar is found aware of all requirements.
- Facility is conducting internal audits on Bi-Annually basis to ensure effectiveness of social policy and procedure last internal audit was conducted on 15.12.2020
- Facility has deployed ET base code in factory, however, local law abstracts at production floor notice boards for worker awareness.
- The factory has taken written commitment from all its suppliers to comply with social compliance code of conduct.
- In the last 12 months facility has not been subject to any fines / prosecution for non-compliance confirmed during management interviews
- Workers are Not found Trained on Social Policies based on ET base code & labour law requirements as mentioned in NC section

Evidence examined – to support system description (Documents examined & relevant comments, include renewal expiry date where appropriate):

Details:

- Social Compliance Management System Manual.
- Job Description of HR & Compliance officer
- Facility visit and check notices based for communication of code with workers
- Internal audit record
- Compliance Certificate



Any other comments

Management Systems	
A. In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A: Please give details
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 B: Please give details Policies exist for all areas that reduce the risk of forced labour, child labour, discrimination, harassment & abuse.
C. If Yes, is there evidence (an indication) of effective implementation? Please give details.	Policies exist for all areas (child labour, forced labour, Health and Safety, Living Wages, Working Hours, no harsh treatment, Environment and Business Ethics); these are communicated to workers via poster and quarterly training/last was conducted dated 05.11.2020
D. Have management / workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D: Please give details Standards on 'Forced labour' and 'No harsh treatment' child labour were communicated to manager / workers through posters and bi-annual trainings/last was conducted dated 05.11.2020.
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 E: Please give details <ul style="list-style-type: none"> ▶ Orientation training to all new hires. ▶ Monthly training sessions/last was conducted on 05.11.2020 ▶ Workers were found familiar with facility policies during worker interviews.
F. Does the site have any internationally recognized system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F: Please give details
G. Is there a Human Resources manager / department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G: Please give details Mr. Ashar Inam (HR& Compliance Officer)
H. Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



	H: Please give details: Mr. Ashar Inwan (HR & Compliance Officer)
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Worker information / personal files are kept under lock and key at HR/Office
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Worker information / personal files are kept under lock and key at HR/Office
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No K1: Please give details: Factory has not carried out Policy and procedure risk assessment.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: Please give details: Factory has not carried out Policy and procedure risk assessment
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: Facility has developed supplier selection policy and procedure, which require them to adhere labour standards
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: All Legal Documents like NTN, Labour Department Registration verified.
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: Yes, site has systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national local law does not require it?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No P1: If yes, how does the company obtain FPIC?
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Q1: Please give details

R. Does the facility demonstrate that alternatives to expedited land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If: Please give details:
S & There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If: Please give details. No any illegal of land for facility building found.

Non-compliance

01. Description of non-compliance:

 NC against ETI Additional Elements

 NC against Local Law

 NC against customer code

During workers interview it was evident that most of workers are not found aware about the social policies and procedures as well as grievance mechanism that how his/her complaints are resolved.

Local law and/or ETI requirement:

Suppliers are expected to implement and maintain systems for delivering compliance to this Code.

Recommended corrective action:

It is recommended that factory shall provide the awareness to workers about the social policies and procedures.

Follow up audit dated 29-06-2021:

Factory has provided the awareness to workers about the social policies and procedures as well as grievance mechanism.

NC Status: Closed

2. Description of non-compliance:

 NC against ETI Additional Elements

 NC against Local Law

 NC against customer code

Though factory has established the Policy and Procedure however documented Risk Assessment was not carried out as per requirement.

Local law and/or ETI requirement:

Suppliers are expected to implement and maintain systems for delivering compliance to this Code.

Recommended corrective action:

It is recommended that factory shall provide the awareness to workers about the social policies and procedures.

Follow up audit dated 29-06-2021:

Factory has carried out the policy and procedure risk assessment.

NC Status: Closed

3. Description of non-compliance:

 NC against ETI Additional Elements

 NC against Local Law

 NC against customer code

Factory has not established the Corrective and Preventive Action mechanism to take the root cause investigation and Corrective & Preventive action against the non-compliance raised during external audit. During document review it was evident that some of non-compliance are denied over.

Local law and/or ETI requirement:

Objective evidence observed:

Interview of please add photo numbers

Document Review and Worker Interviews

Suppliers are expected to implement and maintain systems for delivering compliance to this Code.

Recommended corrective action:

Factory shall establish the Corrective and Preventive action Procedure

Follow up audit dated 29-06-2021

Factory has established the Corrective and Preventive action Procedures & root cause analysis and recorded the corrective actions.

NC Status: Closed

Observation

Description of observation:

Local law or EEU requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective evidence observed:



1: Freely Chosen Employment*Click here to return to Summary of Findings***88**

- 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

A complete current system Auditor examines policies and written procedures in conjunction with relevant managers to understand, and assess where relevant procedures are currently in place e.g. recruit what policies are in place, what areas of procedures are called out, who is responsible for the management of fulfilment of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Factory has established, documented, maintained, and effectively communicated forced labour policy and procedure like Child labour, forced labour, Health and Safety, Wages and Benefits As per policy Elegant Fabrics doesn't discourage forced labour a company's policies and procedures are very much compatible to the constant and free movement of the employees. Workers are not required to lodge "deposit" any kind of their (educational certificate), identity papers or any other personal belongings with the employer and are free to leave the company after reasonable notice.
- No prison labour was found working during facility visit.
- Policy was communicated to the workers through notices, worker's handbook and orientation and in monthly awareness training sessions last session was conducted on 03.11.2020
- Facility allows employees to move freely within their designated work areas during work hours, including access to drinking water and toilet facilities
- Employees can leave the facility during extended meal periods or after work hours confirmed during 10 worker interviews.
- Facility has assigned a qualified person with responsibility for communicating, training, deploying and monitoring and ensuring the implementation of forced labour policy and procedure like. After Ines (HR & Compliance Officer) is responsible person for policy communication, monitoring, training & implementation.
- Through worker interview it was confirmed that workers are free to leave factory at the end of their work shift, also workers can resign with one-month notice or salary in fee.
- No sign of force labour was found in the factory during worker interview, documents review and facility visit.
- Factory has also communicated the policy to all its suppliers and contractor's records of acknowledgment reviewed during audit.
- Employment contract was found in accordance with local law and in native language which was found maintained at worker's personal files.
- No such long-term ban scheme like practice which restricts employees from leaving the facility.
- Facility is only retaining National identity cards and education certificate copies in employee's personal files no original documents are being retained as a condition of employment.

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

Details:

- Personnel files (10 were checked)
- Resignation records
- Factory rules



- ▶ Employee handbook
- ▶ Management and worker interview
- ▶ Contracts for security guards

Any other comments:

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, please give details and category of workers affected:
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please give details and category of worker affected:
C: Is there any evidence of retention of wages/deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If yes, please give details and category of workers affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: Please describe finding:
E: If any part of the business/UK based or registered there & has turnover over £10m, is there a published a "modern day slavery statement"?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable E1: Please describe finding:
F: Is there evidence of any restriction upon 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:
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Not applicable G1: If yes please give details and category of workers affected:
H: Is the site taking any steps to reduce the risk of forced / trafficked labour?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please describe finding: NA

Non-compliance:

1. Description of non-compliance:

NC against ETB NC against local laws NC against customer code:

local law and/or ETB requirement:

Recommended corrective action:

2. Description of non-compliance:

NC against ETB NC against local Law NC against customer code:

local law and/or ETB requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo numbers)

Observation:

Description of observation:

local law or ETB requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective evidence observed:

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

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EN

- 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 adopt an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates and does not hinder the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined

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

Current systems:

- ▶ Factory has defined freedom of association policy and procedure in its social compliance manual, paper policy 'Elegant Fabrics' respects the just, legal, ethical and social rights, facilities and needs of all employees. Purely on non-discriminatory basis, all employees of the company possess freedom and right to associate and collectively bargain by just, ethical and legal means to protect their rights. On parallel means, all employees are free to elect their representatives for their rights protections.
- ▶ Currently there is no worker union however facility has constituted Worker Management Council as a parallel means.
- ▶ Factory has constituted a Worker Management Council, comprising of 06 workers and 01 management representatives. Work representatives were elected by the workers through Show of Hand while management representatives are nominated by management. Last election held on 10.07.2020 for a period of two years.
- ▶ The council meets Quarterly both and discusses the worker's issues and complaints and gives its recommendations to the management for the rectification of the issues. Last meeting of the council was conducted on 12.11.2020. Record of the same was verified during audit.

Evidence examined – to support system description (Documents examined & relevant comments, include renewal expiry date where appropriate):

Details:

- ▶ Freedom of Association policy and procedure
- ▶ Worker Management Council records
- ▶ Worker Management Council meeting minutes
- ▶ Interviews and discussion with workers and council representatives

Any other comments:

A: What form of worker representation/union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee (Worker Management Council) <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
B: Is it a legal requirement to have a union?	<input checked="" type="checkbox"/> Yes <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. NHS mutual partnership)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: ► Suggestion / complaint boxes ► Health and 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: There is Meeting Room available for the Worker Management Council to conduct their meetings
F: Name of union and union representative, if applicable:	NA 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 committee?	Worker Management 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 Factory is providing regular training about Freedom of association and Grievance mechanism protocol.
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Date of last election: 10.07.2020 (18-08-2021)
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: 04 Mr. Nasir Abbas (President) Mr. Shahbaz (Member) Mr. Shahool (Member) Ms. Saleena (Member)
L: Please describe any evidence that union/worker's committee is effective?	Worker Management Council last meeting of the council was held on 12.11.2020 and last meeting topics covered health & safety, Worker Complaint, Training of employees, Mutual Cooperation etc.

Specify date of last meeting; those covered; how minutes were communicated etc.	Minutes of meeting is distributed among members through hard copy and communicated to workers as well through Notice Board	
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: <u> 0 </u> % workers covered by Union CBA	M2: <u> 0 </u> % workers covered by worker rep CBA
M3: If Yes, does the Collective Bargaining Agreement (CBA) include rate of pay?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against local Law <input type="checkbox"/> NC against customer code: During Document Review it was evident that Factory has not established the election of Worker management Council through ballot box as required by law</p> <p>local law and/or ETI requirement: Section 27 Chapter IV which states the prescribed manner for such election to be in ballot Industrial Relation Act 2012, Chapter IV, the workers representative shall hold office for a period of two years from the date of their election or their election or nomination, as the case may be.</p> <p>Recommended corrective action: Factory shall carry out the Election of WMC as per legal Requirement <u>Follow up audit dated 29-06-2021</u> Factory has carried out the Election of WMC on 18-02-2021 as per legal Requirement.</p> <p>NC Status: Closed</p> <p>local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Document Review</p>
<p>2. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against local Law <input type="checkbox"/> NC against customer code:</p> <p>local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	

Observation:	
Description of observation: Local law or EU requirement: Comments:	Objective evidence observed:
Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:



3: Working Conditions are Safe and Hygienic

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3.1

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 minimizing, so far as is reasonably practicable, the causes of hazards wherever they exist in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or re-assigned 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

The complete current system Auditors examine policies and action procedures in conjunction with relevant managers to understand, and record what controls and procedures currently in place to: record what policies are in place, what areas of procedures are carried out, who is responsible for the management of the item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- Factory has defined Health and Safety policy and procedure in its social compliance manual as per policy "Company's core priority is to provide employees with neat and clean, safe and healthy environment. Company's facilities include availability of edible items including potable water, separate to lists, tidy and unpoluted air, noise safety, adequate lighting, installation of fire fighting, first aid and other emergency equipment and related drills/ trainings".
- Factory has appointed Mr. Ashraf Imran (HR& Compliance Officer) to ensure proper implementation, monitoring and training of H&S requirements.
- During site tour, it was confirmed that all factory buildings are made of concrete (bricks, cement work) and seems sound. Production floors are well-ventilated. Temperature was comfortable for workers to work on production floors. Safety signs and safe work instructions have been posted at relevant locations which help identify and warn about the hazards present at the workstation.
- Factory has established Health & Safety committee with 06 members, selected from all departments. Health & Safety committee meets Quarterly and discusses Environment, Health, Safety related issues and provides their recommendation to management for rectification last meeting held on 26.12.2020.
- Factory has obtained firefighting equipment inspection certificate from District Civil Defence (established Doc/Ref. C-22/CDDF/2020/58 dated 01.07.2020 valid up to 30.06.2021) and as per this certificate factory has installed sufficient firefighting equipment in accordance with local law.
- Health & Safety Risk Assessment of all departments found documented. Last Risk Assessment review on dated 17.06.2020. Risk Assessment related to few processes was not carried out.
- Factory has obtained building stability certificate on "Room K from Ashraf Zaman Builders, PEC # 13077, Associate Consulting Architects and in this certificate above firm certified that they have carried out a detailed survey of the building and material which was found satisfactory.
- The factory has developed form to show the compliance of space allocation to one worker in production hall.
- Factory has obtained electric installation inspection report from Electrical Inspector (Government of Punjab), Electrical Inspectorate according to this report electric installation at Degan Fabrics was properly protected and secured as per local law, however, detailed electrical inspection report was not found available.

- ▶ Facility has obtained labour inspection report from Deputy Director Labour Welfare dated 12.11.2020
- ▶ Facility has conducted Quarterly fire / emergency evacuation drill, last drill was conducted on 07.12.2020 (Evacuation Time: 01 Min(s))
- ▶ Facility has installed 15 fire extinguishers, 06 fire Alarms & 06 Manual callpoints, 15 Smoke detectors, 03 fire exits 06 Emergency lights 06 Fire Buckets and firefighting equipment found well maintained.
- ▶ BHS trainings like fire aid, fire fighting, chemical Handling and Use of PPE's were provided to all employees quarterly basis.
- ▶ Use of PPE dated: 05.11.2020, Department: Production
- ▶ Training on Fire Fighting and first Aid External Dated: 01.07.2020; Department: All Production Departments, fire Rescue 1122
- ▶ Training on Social Compliance Management System Dated: 16.11.2020 Department: All Production Department.
- ▶ Accident and injury records were kept, and the factory analysed the accidents/injuries and took corrective actions accordingly.
- ▶ Fire exits were available in production department and evacuation map was found posted.
- ▶ There were 02 first Aid boxes with sufficient supplies installed in different departments of the factory and 06 Trained first aiders from Rescue 1122
- ▶ There were total 05 toilets, 04 for male & 01 for female. Toilets were found clean and sufficient.
- ▶ Facility has obtained drinking water test report from Laboratory of Global Environmental Lab Reference No: SESDET1/001/DW, Dated: 04.01.2021
- ▶ The general BHS conditions such as hygiene, lighting and ventilation etc. were all acceptable

Evidence examined -- to support system description (Documents examined & relevant comments, include renewal expiry date where appropriate):

Details:

- ▶ Health and safety policy and procedure.
- ▶ Certificate of building stability
- ▶ Electrical installation inspection report
- ▶ Evacuation drill records
- ▶ Firefighting equipment inspection certificate
- ▶ BHS trainings like fire aid, fire fighting and Use of PPE's records
- ▶ Injury and accident records for the year 2020 verified no any major accident / incident reported.
- ▶ Health and safety inspection reports
- ▶ Machines and equipment inspection reports.
- ▶ Fire safety list of equipment
- ▶ Machine maintenance record.
- ▶ Test reports of drinking water
- ▶ Workers hygiene cards and vaccination reports.

Any other comments:

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

- Yes
 No

A1: Please give details:

Health & safety and occupational health and safety policies and procedures exist, and found communicated to all workers through periodic awareness sessions



<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Facility provides handbook to all workers which includes all facility policies</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No any Structural Changes/ Addition observed without permission</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Facility leaves visiting card on which Health and safety information mentioned for visitors</p>
<p>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 rooms suitable for the number of workers.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Facility has provided medical facility with trained first aid staff.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aid/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: 04 Trained first aiders available on each floor.</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: Facility is not providing transport to employees.</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H1: Please give details: Accommodation is not provided to workers</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Factory has conducted the H&S Risk Assessment of all departments</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: H&S Risk assessments are conducted to evaluate the arrangements for workers doing overtime e.g. driving after a long shift etc.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: The site has a copy of the banned substances list from its customer and is meeting those requirements.</p>

Non-compliance:

1. Description of non-compliance:

NC against EH: NC against Local Law NC against customer code:

During site tour, electrical wiring was found unsafe in generator area and office room as it was naked and uncovered. Moreover, Electrical Panel was also found blocked with Production table in stitching section.

Local law and/or EH requirement

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 cover the electrical wiring of said departments.

Follow up audit dated 29-06-2021:

Factory has covered the electrical wiring of said departments.

NC Status Closed

2. Description of non-compliance:

NC against EH: NC against Local Law NC against customer code:

Though Factory has obtained the Electrical Inspection Ref No. ER IS/36-ED-17 however detail electrical inspection report was not found available as required by Electrical Rules 1937.

Local law and/or EH requirement

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 obtain the detailed electrical inspection report from approved authority.

Follow up audit dated 29-06-2021:

Factory has obtained the detailed electrical inspection report and fitness certificate from approved authority.

NC Status Closed

3. Description of non-compliance:

NC against EH: NC against Local Law NC against customer code:

Though Factory has Carried out Risk Assessment, however, Risk level either Qualitative or Quantitative was not found documented against process hazards. Moreover, Risk associated with pregnant women was also not found conducted.

Local law and/or EH requirement

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.

Objective evidence**observed:**

(where relevant please add photo numbers)

Document Review and Site Tour

Recommended corrective action

Factory shall conduct the risk assessment of female employees and document the risk level through qualitative or quantitative.

Follow up audit dated 29-06-2021

Factory has conducted the risk assessment of female employees and documented the risk level through qualitative or quantitative.

NC Status Closed

4. Description of non-compliance:

NC against Eth NC against Local Law NC against customer code:

During interview it was evident that, Health and Safety committee members could not demonstrate the knowledge about the protocol which is being adopted by organization during fire emergency.

Local law and/or ER requirement

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 minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Recommended corrective action

Factory shall provide the training about safety protocol to health and safety committee.

Follow up audit dated 29-06-2021

Factory has provided the training about safety protocol to health and safety committee.

NC Status Closed

5. Description of non-compliance:

NC against Eth NC against Local Law NC against customer code:

During Document Review it was evident that factory has not carried out the Medical Test (Hygiene Test) of employees as required by Law Section 23 of The Factories Act, 1934.

Local law and/or ER requirement

Section 23 of The Factories Act, 1934. Each worker in a factory shall be provided with a 'Hygiene Card' in which during the month of January and July every year entries shall be recorded after examination by appointed factory doctors the effect that the worker is not suffering from any contagious or infectious disease. The fee of such an examination shall be paid by the Provincial Government and will be borne by the occupier or manager of the factory.

Recommended corrective action

Factory shall conduct the medical test of all employees as per legal requirement.

Follow up audit dated 29-06-2021

Factory has conducted the medical test of all employees as per legal requirement.

NC Status Closed

6. Description of non-compliance:

NC against Eth NC against Local Law NC against customer code:

During Site Tour, it was evident the Factory store the Diesel Oil in powerhouse without Secondary Containment and MSDS

local law and/or EU requirement

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 place the Secondary Containment and Display the MSDS under Diesel Drum

Follow up audit dated 29-06-2021

Factory has placed the secondary containment and display the MSDS under diesel drum.

NC Status Closed

T>Description of non-compliance:

NC against Eth NC against Local Law NC against customer code:

During Site Tour, it was noted that Vessels were not provided in Drinking water point and also Drinking water area was found uncleaned

local law and/or EU requirement

Section 20(2) of The Factories Act, 1947. In every factory where in more than two hundred and fifty workers are ordinarily employed, provision shall be made for cooling the drinking water during the hot weather by effective means and for distribution thereof and arrangements shall also be made for -

- (a) the daily renewal of water if not laid on; and
- (b) a sufficient number of cups or other drinking vessels, unless the water is being delivered in an upward jet.

Recommended corrective action

Factory shall place the Vessels and ensure the Drinking water area neat / cleaned

Follow up audit dated 29-06-2021

Factory has placed the vessels and ensured the drinking water area neat / cleaned.

NC Status Closed

Observation:

Description of observation:

local law or EU requirement:

Recommended corrective action:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):	Objective Evidence Observed:
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4: Child Labour Shall Not Be Used

[Click here to return to Summary of Findings](#)
[Click here to return to Key Information](#)

EN

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 ISO Standards.

Current Systems and Evidence Examined

To complete current system Auditors examine policies and action procedures in conjunction with relevant managers to understand, a set record what controls and procedures currently in place e.g. record what policies are in place, what roles and procedures are carried out, who is responsible for the management of the form of the table. But once checked should state if any documentary or verbal evidence shown to support the systems.

Current systems:

- ▶ Factory has defined child labour policy and procedure.
- ▶ Factory has communicated the policy through notices and signs at main gate of the factory.
- ▶ No workers below 18 years are employed in the factory.
- ▶ As per hiring procedure prospective workers with authentic age verification documents will be considered.
- ▶ HR department ascertain workers age during appointment through documents and interview, workers age verification documents were kept in their personal files for verification.

Evidence examined – to support system description (Documents examined & relevant comments, include renewal expiry date where appropriate):

Details:

- Child labour policy and procedure.
- Personal file for age proof documents like CNIC, Bth certificates and educational certificates.
- Facility visit, interview with suspected workers.

Any other comments:

A: Age/age of employment:	15
B Age of youngest worker found:	20
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 workforce)	00 %
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 If 'I' yes, give details

Non-compliance:

1. Description of non-compliance:

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

During Document Review, it was noted the Age Proof Document (i.e. CNIC (02 employees out of 10) was not found available.

local law and/or ETI requirement:

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.

Recommended corrective action:

Factory shall place the Age Proof Document of missing employees
Follow up audit dated 29-06-2021
 Factory has placed the age proof document of employees in personnel files.
NC Status: Closed

Objective evidence observed:

(where relevant please add photo number)

Document Review

2. Description of non-compliance:

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

local law and/or ETI requirement:

Recommended corrective action:

Observation:

Description of observation:

local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

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5: Living Wages are Paid

[CLICK HERE TO RETURN TO SUMMARY OF FINDINGS](#)

[CLICK HERE TO RETURN TO FINDING 5:5](#)

5.5

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

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

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

Current Systems and Evidence Examined

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

Current systems:

- ▶ Facility has Compensation & Benefit policy and procedure. As per policy "Elegant Fabrics" provides compensations and benefits to all the employees as per state law. Employees are paid their salary / wages in form of hard cash transferring along with itemized pay stub. Overtime hours are compensated at double rate than that of actual pay / wages. Company facilities all the employees with legal benefit like social security, group insurance, old age benefits, bonus (as per company's annual profit), annual leaves (or encashment) maternity and other leaves.
- ▶ During documents review and workers interview it was noted that factory was paying PNR 1,500 per month and PNR 574 per day as minimum wage to unskilled workers.
- ▶ **Mrs. Ather Insaan (HR & Compliance Officer)** is responsible person to act on complaint / objection logged / raised and discuss the matter in Work Council meeting and resolve it on priority basis.
- ▶ Factory is keeping record of the workers wage and wage slips were provided to the workers.
- ▶ Factory is paying social security and SOB of all eligible employees. Contribution payment records reviewed for last three months during audit and found updated. Contribution of few employees were not paying by factory hence raised minor NC.
- ▶ Factory is paying Education Grant of the employees. Last was paid for the period from January 2021, July 2020, March 2020.
- ▶ Factory has covered all permanent workers under Group Insurance Scheme from Liberty Life. OIGR-2021 was reviewed during audit and last premium was made on 2021 for 01 Year, Death, Accident, coverage is PNR 50000 to each worker.

Evidence examined – to support system description (Documents examined & relevant comments include email reply date where appropriate):

Details:

- ▶ Payroll and payment record of 10 workers for the month of January 2021, July 2020, March 2020
- ▶ Production record for the month of January 2021, July 2020, March 2020
- ▶ Wage slips of the workers
- ▶ Record of social security and SOB
- ▶ Record of group insurance

- ▶ Record of full and final settlement of leaving workers
- ▶ Leave Record of the workers

Any other comments:

Non-compliance:

1. Description of non-compliance:

NC against ECI NC against Local Law NC against outcome code

During Review of Production Register, it was noted that factory was operational on weekly rest in the month of December 2020 (20th December 2020), but factory has not made payment against working on such day

Local law and/or ECI requirement:

Section 25 of The Factories Act, 1934:

(1) No adult worker shall be allowed or required to work in a factory on a Sunday unless -

- (a) he had or will have a holiday for a whole day on one of the three days immediately before or after that Sunday, and - (b) the manager of the factory has, before that Sunday or the substituted day, whichever is earlier -

Recommended corrective action:

Factory shall make payment against working on weekly rest.

Follow up audit dated 29-06-2021

Factory has made payment against working on weekly rest.

NC Status Closed

Objective evidence observed:

(where relevant please add photo number)

Document Review

2. Description of non-compliance:

NC against ECI NC against Local Law NC against outcome code

It was noted during document review, that factory was not issuing the salary slips to employees

Local law and/or ECI requirement:

Rule 19 (3) of The West Pakistan Minimum Wages Rules, 1962: Every employer shall issue to the employees employed in any industry in respect of which minimum rates of wages have been fixed under the provisions of the ordinance, Wage Slips in Form-s.

Recommended corrective action:

Factory shall issue the salary slip of employees as per requirement

Follow up audit dated 29-06-2021

Factory has started issuing the salary slip of employees as per requirement.

NC Status Closed

3. Description of non-compliance:

NC against ECI NC against Local Law NC against outcome code

During Review of Record, it was noted the Factory was not paying EOBI and PESSI of eligible employees as factory is paying EOBI and PESSI only 20 employees instead of all employees

Local law and/or ECI requirement:

Employees Old age Benefits Act, 1976, Section 2: All employees in an industry or establishment shall be insured in the manner prescribed by this act. Section 3: Contribution shall be payable every month by the employer to the institution in respect of every person in his insurable employment.

Recommended corrective action:

Factory shall pay EOB1 and PESS1 of all employees
 Follow up audit dated 29-06-2021
 Factory has paid EOB1 and PESS1 of all employees working currently in the
 facility.

NC Status Closed

Observation:

Description of observation:

Local law or EIT requirement:

Comments:

Objective evidence
 observed:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence
 Observed:

Summary Information

Criteria	Local law (Please state legal requirements)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Stand and / Contracted work hours (Maximum legal and actual/required working hours excluding overtime, please state if possible per day, week, and month)	Legal/maximum: 8 hrs / day, 48 hrs / week, 208 hrs / month	A1: 08 hrs / day, 48 hrs / week, 208 hrs / month	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 hrs / day, 12 hrs / week, 48 hrs / month	B1: 00 hrs / day, 10 hrs / week, 48 hrs / month	B2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Wage for stand and / contracted hours (Minimum legal and actual minimum wage at site, please state if possible per day, week, and month)	Legal/minimum: PKR 84.25 / hour, PKR 674 / day, PKR 4044 / week, PKR 17,500 / Month for unskilled workers	C1: PKR 84.25 / hour, PKR 674 / day, PKR 4044 / week, PKR 17,500 / Month for unskilled workers	C2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Overtime wage:	Legal/minimum: PKR 168.50 / hr	D1: PKR 168.50 / hr	D2: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	(Same rate for all Overtime)	(Same rate for all Overtime)	
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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?	NA		
B: Sample Size Checked (State number of worker records checked and from which weeks/months - should be current, peak, and randomize. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 workers wage records for the (January 2021, July 2020, March 2020)		
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If Yes , please give details: ▶ Unskilled (Sewerper, Helper): PKR 17,500 per month ▶ Semi-Skilled B (Asst. Operator): PKR 18,500 per Month ▶ Skilled (Packer), PKR 19,000 per month ▶ High Skilled (Supervisor, Quality Checker), PKR 20,500 Per Month Asper Punjab Gazette 1st July 2019	
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/uncontacted 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.	
F: Please indicate the breakdown of workforce per earnings	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: ___% of workforce earning above minimum wage		
G: Bonus Scheme found:	Bonus Scheme found:		

Please specify details:	Note: type of employee (e.g. full time, temp, etc.) and please state which unit (e.g. /hour/week/month) etc.		
H: What deductions are required by law e.g. social insurance? Please state all types.	EOB		
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. EOB 2. Please describe:
		I2: Please list all deductions that have not been made.	1. Group Life Insurance 2. FEBO 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: This can be equal to minimum legal wage. If answered yes please state amount and source of info. Please see BSCI Best Practice Guidance and Measurement Criteria.	<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"/> ILO/Anker Benchmarks <input type="checkbox"/> Ade 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details:		



basic needs of workers (ie discretionary income).	
Q: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P: Please give details
Q: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other Q1: For this, please explain:

6: Working Hours are not Excessive[\(Click here to return to overview of findings\)](#)[\(Click here to learn to find information\)](#)**6.1**

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 of 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 system Auditors examine policies and written procedures in conjunction with relevant managers in addition, a set record when controls and procedures are currently in place e.g. list of what policies are in place, what rules or procedures are called out, who is responsible for the management of them of the jobs. All once checked should state if any documentary or verbal evidence shown to support the systems.

Current systems:

- Factory has defined working hour's policy and procedure. As per policy the management of "Urgent Fabrica" is committed to ensure working hour sin compliance to legal requirements. Management ensures that regular working hours don't exceed 48 hours per week and overtime hours don't exceed 12 hours per week. Management ensures that 7th day weekly rest is ensured. However, in case of "Urgent Business Needs" work can be performed on weekly rest provided if legal compliance is ensured.
 - o Urgent business needs can be considered in following business circumstances.
 - o Strike in the city and loss of production.
 - o Limited to delays / inter-optional in production caused by Natural Calamities or unscheduled power failures.
 - o Non-negligible production deadlines or unforeseen circumstances which are beyond employer's control".

- During audit, it was noted that factory workers below mentioned schedule:
- Factory has one Shift for Production (Splicing, Cutting, Packing, Dispatch) i.e. 08:00 to 18:00
- There were three shifts for security
 - Shift A: 08:00 To 14:00 hours
 - Shift B: 14:00 To 22:00 hours
 - Shift C: 22:00 To 06:00 hours
- Factory has installed Card Scanner system for recording the workers working hours in the factory. All workers have at least one day-off in a week.
- Working hours in the factory is 8 hours per day, 48 hours per week.
- Maximum 2 hours a day and 12 hours a week overtime is allowed in the factory.

Evidence examined – to support system description (Documents examined & relevant comments, include renewal expiry date where appropriate):

Details:

- Factory policy and procedure for working hours in the factory
- 10 workers time record for the month of January 2021, July 2020, March 2020
- Production Recorder for the month of January 2021, July 2020, March 2020

Any other comments:

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law NC against customer code

There is some inconsistency between Production Record and Time Record was found as it was noted during production record that factory was in operational on weekly rest in month of December i.e. 20-12-2020 but Time Record was showing that factory was not in Operational during this date.

Local law and/or ETI requirement:

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

Recommended corrective action:

Factory shall ensure the consistency record related to Payroll as per requirement

Follow up audit dated 29-06-2021

Factory has developed procedure to ensure integrity & consistency of record related to Payroll as per requirement

NC Status: Closed

2. Description of non-compliance:

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

Local law and/or ETI requirement:

Objective evidence observed:

where relevant please add photo number

Document Review

Recommended corrective action:	
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Observation	
Description of observation: Local law or EET requirement: Comments:	Objective evidence observed:

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

Working hours' analysis Please include time e.g. four weeks/month (Go back to Rev information)	
Systems & Processes	
A. What timekeeping systems are used: time card etc.	Describe: Card Scanner

B: Is sample the same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	B1: If no, please give details
C: Are standard/contacted 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/contacted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes please detail hours %, types of workers affected and frequency. Please give details
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 (if sample):
Standard/Contacted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
	<input type="checkbox"/> Yes	H1: If yes, please give details:



H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input checked="" type="checkbox"/> No	
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	<p>Highest OTHours January 2021, July 2020, March 2020 02 hours per day, 10 hours per week and 48 hours per month</p> <p>January 2021: No OTObserved July 2020: 08 hours per month March 2020: 00 hours per Month</p>	
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 workforce on highest overtime hours:	<p>January 2021, No OTObserved July 2020: 02 %hours per month March 2020: 00 hours per Month</p>	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting information	L1: Please detail evidence e.g. Working 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 OTime premium	M1: Please give details of normal day overtime premium as a % of <u>standard</u> wages
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes please describe % for workers & frequency:
O: If the site pays less than 125% OTime premium and this is allowed under local law, are there other conditions? Please	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no (or low) overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	

<p>complete the boxes where relevant.</p>	<p>Q1: Please explain any checked boxes above e.g. details of consolidated pay / CBA or Other</p>
	<p>NA</p>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p><input checked="" type="checkbox"/> Overtime is voluntary</p> <p><input type="checkbox"/> Ombuds Collective bargaining allows 60+ hours/week</p> <p><input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances</p> <p><input type="checkbox"/> Other reasons (please specify)</p> <p>P1: Please explain any checked boxes above e.g. details of consolidated pay / CBA or Other:</p> <p>Overtime working is on voluntary basis, worker can deny overtime without any repercussions.</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Q1: If yes, please give details:</p>
<p>If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

7: No Discrimination is Practiced[Click here to return to summary of findings](#)**88**

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' Audit, we examine policies and written procedures in conjunction with relevant managers to understand and record what controls and processes currently exist (e.g. record what tools are in place, what relevant procedures are carried out, who is responsible for the management of them) of the code. Evidence checked should detail any documentation or verbal evidence shown to support the systems.

Current systems:

- ▶ Factory has defined non-discrimination policy and procedure and as per policy is not engage in or support discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, or political affiliation.
- ▶ During audit, through workers interview and documents review, no sign of discrimination was observed in the factory.
- ▶ During audit, it was confirmed that facility's environment is free from misbehaviour activities, such as gesture, language and physical contact that is sexually sensitive, threatening, abusive or exploitative.
- ▶ Non-discrimination policy is found posted on employee notification boards at production floors.
- ▶ Factory has equal employment opportunity policy.
- ▶ Facility has appointed Mr. Adnan Imran (HR & Compliance Officer) for communicating, training, deploying and monitoring and ensuring the implementation of non-discrimination policy and procedure.
- ▶ Workers are hired, compensated & promoted based on capability and merit without any distinction, different social and ethnic background workers were found working in the factory.

Evidence examined – to support system description (Documents examined & relevant comments, include renewal expiry date where appropriate):

Details:

- ▶ The hiring and termination procedure have application records and employee handbook.
- ▶ Payrolls
- ▶ Attendance records
- ▶ Termination records
- ▶ Training records

Any other comments:

A: Gender breakdown of Management + Supervisors (include where combined areas)

A1: Male: ___/100 ___ %
A2: Female: ___/___ %

B: Number of women who are in skilled or technical roles (e.g. where applicable)

00

qualifications are needed i.e. machine engineer/ laboratory analyst.	
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 type="checkbox"/> No evidence of discrimination found C1: Please give details:

Professional Development	
A: What type of training and development are available for workers?	All workers are given Health and safety 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 codes: local law and/or ETI requirement: Recommended corrective action: 3. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer codes:	Objective evidence observed: (where relevant please add photo number)

Local law and/or ET requirement:	
Recommended corrective action:	

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

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



B: Regular Employment is Provided

[Click here to return to Activities at a Glance](#)
[Click here to return to Key Information](#)

B1

B.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

B.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 skill 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

B.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

B.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 to the above points and related legislation.

B.5 Employment agencies must only supply workers registered with them.

B.6 Workers pay no recruitment fee at any stage of the recruitment process.

B.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

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

Current systems:

- ▶ During audit, it was noted that employment in the factory is based on recognised employment relationship established through national labour law & regulations.
- ▶ No casual and seasonal were found/hired in the factory during document review, facility visit and workers interview.
- ▶ No labour contractor / agency is in use, all workers are facilities employed.

Evidence examined – to support system description (Documents examined & relevant comments include email/ excel/ copy data where appropriate):

Details:

- ▶ Hiring policy & procedure
- ▶ Worker interviews
- ▶ Personal files review
- ▶ Payroll & time records

Any other comments:

--

Non-compliance:
1. Description of non-compliance:
 NC against ETI NC against Local Law NC against customer code:

local law and/or ETI requirement:

Recommended corrective action:

2. Description of non-compliance:
 NC against ETI NC against Local Law NC against customer code:

local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo number)

Observation:

Description of observation:

local law or ETI requirement:

Comments:

Objective evidence observed:
Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:
Responsible Recruitment
All Workers
 All workers presented with terms of employment at the

 Terms & Conditions presented & Understood by workers

time of recruitment, did they understand them and are they in the agreed conditions?	<input checked="" type="checkbox"/> 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, taxes, deposits or bonds for the purpose of recruitment/ placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B1: If yes, please describe details and specific category(ies) of workers affected:
C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports / ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Bath 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 workplace and home <input type="checkbox"/> Any education 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:
D: If any checked, give details:	NA

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:	No migrant worker employed
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: B2: Total number of (outside of local/country) recruitment agencies used:
C: Are migrant workers' voluntary deductions (such as for remittance) confirmed in writing by the worker and evidence of the transaction applied by the facility to the worker?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: C2: Observations

D: Are Any migrant workers in skilled, technical, or management roles

Migrant Workers (this should include all migrant workers including permanent workers, temporary and seasonal workers)

- Yes
 No

D1: If yes, number and example of roles:

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"/> Passport 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 workplace 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
C: If any checked, give details:	B1 - If other, please give details

Agency Workers (if applicable)

(workers supplied from a local agency 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: Name(s) if available: NA
---------------------------------------	------------------------------

B: Were agency workers age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input 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 type="checkbox"/> No E1: Please give details

Contractors 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 leaders, labor provider.	
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 type="checkbox"/> No C1: Please describe finding:
D: If Yes, please give evidence for contractor workers being paid per law.	



SA: Sub-Contracting and Homeworking[Click here to return to Summary of Findings](#)[Click here to return to Key Information](#)

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

SA.2 Systems and processes should be in place to manage sub-contracting, homeworking and external purchasing.

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 sub-contracting: auditor should use this section for sub-contractors of part made or wholly made finished goods, this section should not be used for raw materials manufacturers unless instructed otherwise by customer.

Current Systems and Evidence Examined

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

Current systems:

- ▶ A site tour showed that all factory is purchasing initial fabric from suppliers. No any sub-contracting process is found.

Evidence examined – to support system description (Documents examined & relevant comments, include renewal expiry date where appropriate):

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:



<p>1. Description of non-compliance:</p> <input type="checkbox"/> NC against ET/ Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code of	<p>Objective evidence observed: (where relevant please add photo number)</p>
<p>Local law and/or ET / Additional Elements requirement:</p>	
<p>Recommended corrective action:</p>	
<p>2. Description of non-compliance:</p> <input type="checkbox"/> NC against ET/ Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code of	
<p>Local law and/or ET requirement:</p>	
<p>Recommended corrective action:</p>	

Observation:	
<p>Description of observation:</p> <p>Local law or ET/ Additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

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

Summary of sub-contracting – if applicable <input checked="" type="checkbox"/> Not Applicable please x	
<p>A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:</p>

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-contractor/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 law 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
[\(Click here to return to summary of findings\)](#)

9.1

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

Additional elements:

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

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievance to a 3rd party?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details Complaint and suggestion boxes are mounted at different locations for grievance reporting</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Presence of complaint and suggestion boxes is known to all workers.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Complaint and suggestion boxes</p>
<p>D: Which of the following groups/are a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details:</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. help lines or whistle blowing mechanism)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: If no, please explain</p>
<p>H: If yes, are workers aware of the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: If no, please give details</p>

1. Does the disciplinary procedure allow for reductions from wages (fines) for disciplinary purposes (see wages section)?

Yes
 No

If: Yes, please give details

Current Systems and Evidence Examined

To complete a current system, Auditors examine policies and written procedures in conjunction with relevant managers to understand a set record when policies and procedures are currently in place e.g. record what policies are in place, what areas of procedures are carried out, who is responsible for the management of the form of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems

- According to documentation, the factory management had established a disciplinary procedure for workers' misbehaviour which included oral warning, written warning and finally termination and the site had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.
- After management interview, document review and workers interview, there was a policy on Harsh Treatment which was communicated to all workers through awareness sessions and display of notice boards.
- There is an internal process for grievance, which is an anonymous complaint and suggestion box, where workers can report any grievances (harassment, bullying, discrimination etc.). Any received complaint will be handled by management, without any reprisal for the worker in question.

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

Details:

- The relevant policy on prevention of harassment and abuse
- Internal grievance procedure documentation.
- Training records

Any other comments:

Non-compliance:

1. Description of non-compliance:

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

local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:

(where relevant please add photo number)



2. Description of non-compliance:

NC against ETB NC against Local Law NC against customer code:

local law and/or ETB requirement:

Recommended corrective action:

Observation:

Description of observation:

local law or ETB requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective Evidence Observed:

10. Other issue areas: 10A: Entitlement to Work and Immigration
[Click here to return to NC table](#)
Additional Elements

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.
 10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

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

Current systems:

- ▶ No migrant worker employed.

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

Details:

- ▶ Policy and procedure for employment in the factory
- ▶ List of workers
- ▶ Facility visit observed workers working on the floor

Any other comments:

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

- NC against ET9 Additional Elements
 NC against customer code c

NC against Local Law

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

local law and/or ES / Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

- NC against ET9 Additional Elements
 NC against customer code c

NC against Local

Local law and/or EN Additional Elements requirement:	
Recommended corrective action:	

Observation:	
Description of observation: Local law or EN Additional Elements requirement: Comments:	Objective evidence observed:

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

10. Other issue areas 10B2: Environment 2-Pillar[Click here to return to summary of findings](#)

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

10B.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.
 10B.2 The supplier should be aware of and comply with their end client's environmental requirements.
 Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

To complete current systems Auditors examine policies and written procedures in conjunction with relevant managers to understand a full range of what controls and processes are currently in place e.g. record what policies are in place, what areas of processes are covered, who is responsible for the management of the item of the audit. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

- ▶ Factory has established environmental policy and procedure into Environmental manual as per policy **Elegant Fabrics** is committed and endeavouring to do environmentally friendly and pollution curtailing textile business while continually improving its green practices and complying by all national as well as other laws and regulations.
- ▶ Factory has obtained Drinking Water Test Report Ref. No. SESDF/21/201/DW, Dated: 04.01.2021, Light Intensity Monitoring Report Ref: SESDF/21/201/LI, , Dated: 04.01.2021, Noise Monitoring Report Ref: SESDF/21/201/NL, Dated: 04.01.2021 Verified from SES Laboratory

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

Details:

- ▶ Environmental policy and procedure
- ▶ Facility visit and review of the production process
- ▶ Review of the lab test reports for environmental compliance

Any other comments:

Non-compliance:

1. Description of non-compliance:	<input type="checkbox"/> NC against ETI Additional Elements	<input type="checkbox"/> NC against Local Law	Objective evidence observed: <i>(delete irrelevant please add photo number)</i>
local law and/or ETI Additional Elements requirement:			
Recommended corrective action:			
2. Description of non-compliance:			
<input type="checkbox"/> NC against ETI Additional Elements	<input type="checkbox"/> NC against Local Law		
local law and/or ETI Additional Elements requirement:			
Recommended corrective action:			

Observation:	
Description of observation:	Objective evidence observed:
local law or ETI additional elements requirement:	
Comments:	

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



Observation:	
Description of observation: local law or EN Additional elements requirements Comments	Objective evidence observed:

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



Photo Form

		
Main Entrance	Production Building	Fabric Storage
		
Evacuation Plan	Fire Alarm	Washroom
		
Sewing	Emergency Exit Door	First Aid Box
		
Packing	Pressing	Fire Point

Exposed Wires without Cover (Generator)	Production Register with Sunday Working	Electrical Panel Blank
Attendance System No working in December (Inconsistent)	SOB Blanks (NC)	Hygiene Card (NC)
Drinking Water Point (Inconsistent and without Nozzle)	Deals without MSDS and Secondary Complaint Sheet	NC Closed: Training on legal laws provided to workers



		
<p>NC Closed: Distance training provided to workers</p>	<p>NC Closed: Risk Assessment carried out</p>	<p>NC Closed: Root cause analysis, corrective & preventive action measures</p>
		
<p>NC Closed: Worker Management Council election conducted as per local law</p>	<p>NC Closed: Naked electrical wires covered</p>	<p>NC Closed: Removal working in front of electrical panel</p>
		
<p>NC Closed: Electrical register obtained</p>	<p>NC Closed: Electrical safety certificate obtained</p>	<p>NC Closed: Register workers covered in assessment</p>

NC Closed: Firelighting training provided	NC Closed: Medication conducted for all employees	NC Closed: MSDS & secondary containment provided
NC Closed: Drinking water made clean	NC Closed: Drinking water made available	NC Closed: Age proof document maintained in file
NC Closed: Overtime paid to workers	NC Closed: Safety shoes provided to workers	NC Closed: social security payment made to government institution
NC Closed: EOR payment made to government institution	NC Closed: Procedures developed to ensure integrity & consistency of payroll record	



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

[Click here for Buyer \(B\) & Buyer/Supplier \(A/B\) members](https://www.surveymonkey.com/s/app/5m-4P63PQ22mCollingine_34_34)

https://www.surveymonkey.com/s/app/5m-4P63PQ22mCollingine_34_34

[Click here for Supplier \(B\) members](https://www.surveymonkey.com/s/app/5m-4C37M0d3l6d30PqP_30q_34_34)

https://www.surveymonkey.com/s/app/5m-4C37M0d3l6d30PqP_30q_34_34

[Click here for Auditors](https://www.surveymonkey.co.uk/r/8P5VCKP)

<https://www.surveymonkey.co.uk/r/8P5VCKP>