

SMETA •

Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <small>(only available on Sedex System)</small>	ZC409168089	Sedex Site Reference: <small>(only available on Sedex System)</small>	ZS409456384	
Business name (Company name):	XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
Site name:	XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
Site address:	Bangladesh	Country:	BD	
Site contact and job title:	xxxxxxxxxxxxxxxx / Factory Manager			
Site phone:	xxxxxxxxxxxxxxxx	Site e-mail:	xxxxxxxxxxxxxxxx	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-05-26			

Audit Company Name:
SIPAS CR-PERU

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)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

2- Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Auditor Team			
Lead Auditor:	Jahangir Alam	APSCA Number:	21701353
Additional Auditors:	Ruhul Amin Sakar		21703971
	A.M.M. Wali Uddin		21704606
Date of declaration:	2024-05-26		

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

Site Representation	
Full Name:	xxxx. xxxxxxxxxxxxxxxxxxxx xxxxxx xxxx
Title:	xxxxxxxxxxxxx
Date of declaration:	2024-05-26
Comments: Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives	
Nil	

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Report reference:
ZAA600067382

Start Date:
2024-05-26

End Date:
2024-05-26



Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management systems and code implementation</u>	0.B.3		1	0	0	NC - ZAF600543439
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.1 3.1 3.1 3.2 3.2	\$1 \$2 \$3 \$4 \$5 \$6	6	0	0	NC - ZAF600543440 NC - ZAF600543441 NC - ZAF600543442 NC - ZAF600543443 NC - ZAF600543444 NC - ZAF600543445
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>			0	0	0	
<u>6 - Working hours are not excessive</u>			0	0	0	
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>	8.1	\$7	1	0	0	NC - ZAF600543446
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>	9.1		1	0	0	NC - ZAF600543447
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>	10.C.7		1	0	0	NC - ZAF600543448

Local Law Issues

Issue	Description
\$1	Bangladesh Labor Rules- 2015, rule- 55(10): If possible, all workers or at least 18% of the workers employed in each department have to be trained on fire-fighting, emergency rescue operation, first aid and the usage of portable fire-repellant instruments. And the security has to be ensured by dividing the trained workers into fire-fighting team, rescue team and first aid team (6% members in each team) and the records related herewith have to be preserved in accordance with Form- 22.
\$2	Bangladesh Labor Rules- 2015, rule- 67(2) & 68(9): In addition to the arrangement of safety and health protection measures mentioned in Sub-section (1), the concerned manufacturing institute must provide necessary equipment's, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage. The data about the disbursement of personal safety equipment's that are required for performing the activities mentioned in Section 79 (d) must be Preserved as per Form-23.

§3	Bangladesh Labor Rules- 2015, Rule- 64(2); Effective machine guard or eye safety goggles must be installed/used in all cases where the possibility of having injuries in the eye is high.
§4	Bangladesh Labour Act 2006-72 (b),(c): (b) there shall, in so far as reasonably practicable, be provided with safe means of access to every place where any person is, at any time, required to work; (c) passages and stairways shall be clean, wide and clear of all obstructions.
§5	Bangladesh Labor Law- 2006, 62(5): In every establishment, the clearly audible whistle shall be provided to alarm every worker employed there in case of fire or danger.
§6	Bangladesh Labour Act 2006, section- 94 (2) & Bangladesh Labor Rules- 2015, rule- 94 (2) & & rule-95 (2) C: 94 (2) The said room shall be provided with adequate accommodation, light and ventilation and shall be maintained in clean and sanitary condition, and shall be under the charge of an experienced or trained woman for the care of children 94 (2) A separate and screen covered area must be kept preserved for the breastfeeding mothers so that they can lactate their babies maintaining secrecy and modesty. 95 (2) (C) Sufficient supply of water along with the basin facilities for 5 (five) children at a time has to be ensured. If it seems to be feasible, at least 5 (five) liters of water per child should be supplied through taps.
§7	Bangladesh Labor Act- 2006, section 5: No employer shall employ any worker without giving such worker a letter of appointment and every such employed worker shall be provided with an identity card with photograph.

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End Date:
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Site Details

Site Details		
Company Name	XXXXXXXXXXXXXXXXXXXXXXX	
Site Name	XXXXXXXXXXXXXXXXXXXXXXX	
GPS location (if available)	GPS Address:	XXXXXXXXXXXXXXXXXXXXXXX.
	Coordinates:	N/A
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Incorporation Certificate No: C- 94851/11, Trade License No: 22(1)23 valid up to June 30, 2024, Factory License No: 17555/Narayangonj - valid up to June 30, 2024, Fire license No: DD/Dhaka/25283/2015 , valid up to June 30th, 2024, EPB: NT01316, valid up to November 08, 2024, ERC: 260326210989021, valid up to June 30th, 2024, IRC: 260326120464520 valid up to August 28th, 2024, Generator license: LWC-2125 , valid up to November 13, 2026, TIN: 757109674611, BIN: 001243827-0304	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	All types of shopping bag, Tote bag, apron & others accessories, production process: cutting, printing, sewing, finishing, packing & export.	
Site description: (Include size, location, and age of site, Also, include structure and number of buildings)	XXXXXXXXXXXXXXXXXXXXXXX. is located at Lengurdi, Fausha Bazar, Araihaazar, Narayangonj, Bangladesh. The facility has started its operation in 2011. Total land area of the facility premises 65,000 square feet, production and warehouse area 57,000 square. The facility premises consist of only requested facility; no other sister concern or entity was found during audit. Total 899 employees are working in the facility including 95 non- production employees. Out of 899 employees, 252 are male & 647 are female employees. The facility premises consist of total 01 building and 07 sheds which are made of concrete and steel.	

Structure and number of buildings	Building Name:		Buildine 1
	Floor	Description	Remark
	Floor 1	Accessories Store, Office, Sample section	N/A
	Floor 2	Conference Room, MD's Cabin & open rooftop	N/A
	Building Name:		Shed 1
	Floor	Description	Remark
	Floor 1	Cutting Section, Fabric Store	N/A
	Building Name:		Shed 2
	Floor	Description	Remark
	Floor 1	Sewing Section-1, Office Area, Mechanic Room.	N/A
	Building Name:		Shed 3
	Floor	Description	Remark
	Floor 1	Sewing Section-2, Quality Section, Finishing Section, Office Area	N/A
	Building Name:		Shed 4
	Floor	Description	Remark
	Floor 1	Cap Section	N/A
	Building Name:		Shed 5
	Floor	Description	Remark
	Floor 1	Store Area, Generator Room	N/A
	Building Name:		Shed 6
	Floor	Description	Remark
	Floor 1	Childcare Room, Doctor Room, Inspection Room, Finished Goods keeping area.	N/A
	Building Name:		Shed 7
	Floor	Description	Remark
	Floor 1	Dining hall	N/A
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No visible structural integrity issues found during audit.		

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Audit Parameters			
Time in and time out	Day 1		
	In	09:15	
	Out	19:40	
Audit type:	PERIODIC		
Was the audit announced?	ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	Md. Ashif Al Masum / Factory Manager		
Is further information available	No		

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End Date: 2024-05-26

Audit attendance	Management	Worker Representatives	
		Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
Reason for absence at the opening meeting	No union is formed in the factory. It is not mandatory by local law.		
Reason for absence during the audit	No union is formed in the factory. It is not mandatory by local law.		
Reason for absence at the closing meeting	No union is formed in the factory. It is not mandatory by local law.		

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End Date: 2024-05-26



Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	252	0	0	0	0	0	0	252
Worker numbers – female	647	0	0	0	0	0	0	647
Total	899	0	0	0	0	0	0	899
Number of Workers interviewed – male	12	0	0	0	0	0	0	12
Number of Workers interviewed – female	30	0	0	0	0	0	0	30
Total – interviewed sample size	42	0	0	0	0	0	0	42

Nationalities Structure		
Nationality of Management	Bangladeshi	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Bangladeshi approx %: 100%	
Was this list completed during peak season?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	0%
	Salaried:	100%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	100%
	Other:	0%
	Details for other:	N/A

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Report reference:
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End Date:
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Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	Total 30 workers (6 groups * 5 person)
Number of individual interviews:	Male: 4 Female: 8
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
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
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	None
What did the workers like the most about working at this site?	Payment is on time; management behaviour is positive & working environment is good.
Any additional comment(s) regarding interviews:	In interview session workers explained that, they got monthly payment on time, correct overtime payment, attendance bonus and paid leave whenever they needed.
Attitude of workers to hours worked:	Positive
Is there any worker survey information available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: They are doing survey for grievance mechanism

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Attitude of workers:
12 employees were selected from various workstation and payroll sheet for individual interview and 30 employees in 6 (6X5) groups were selected for group interviews. Attitude of interviewee to management, workplace and the interview process was positive. The interview session was private and confidential.
Attitude of worker's committee/union reps:
Worker's representatives showed positive attitude regarding management, workplace and the interview process.
Attitude of managers:
Md. Sahidar Rahman Khan, Sr. Executive (HR, Admin & Compliance) and his team showed the positive attitude to this audit. They were very much cooperative with this audit.

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0A - Universal Rights covering UNGP

[Summary of Findings]

0A: Compliance Requirements

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

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

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

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

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

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with, human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

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

Current Systems:

- The factory established the relevant documents and rules.
- Internal audit started, overall responsibility for standards is taken by Md. Ashif Al Masum – Factory Manager
- 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.
- The factory encouraged the workers and staff to report any issues related to employee universal rights by name or anonymous.

Evidence examined:

- The relevant policy about employee universal rights.
- Internal grievance procedure documentation.
- Training records

Any other comments:

No comments

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

The factory showed one commitment on the employee universal rights issued by manager as well as approved by the owner with the company chop.

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

Provided all policies included in workers manuals

Does the business have a designated person responsible for implementing standards concerning Human Rights?

☒ Yes ☐ No

Please give details:

Name: Md. Ashif Al Masum, Job title: Factory Manager

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 Please give details: The procedure required and encouraged the workers or stakeholders to report the any issue related to employee universal rights with full protection.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policy and procedures concerning to the privacy protection was provided for review. The HR department did not have any improper practices according to this requirement.
Measuring Workplace Impact	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 6.0% This year 5.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	5.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 6.0% This year 5.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	4.0%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: By medical department of this company are maintaining this accident record.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 3.0% This year 1.0%

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)	0.0%	
Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	20.0%
	12 month	25.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

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OB - Management Systems and code Implementation [Summary of Findings]
<p>OB: Compliance Requirements</p> <p>0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>0.B.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.B.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.B.4 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.</p> <p>0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>

Current Systems and Evidence Examined
<p><i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i></p>
<p>Current Systems:</p> <p>-According to the documents review the facility has established a system to deliver compliance to the code which includes child labor prohibition system and overtime work control system. All the interviewees understood the basic components of the code such as do not use child labour and the control of working hours.</p> <p>-The company appointed a management representative - Md. Sahidar Rahman Khan, Sr. Executive (HR, Admin & Compliance) for compliance implementation.</p>
<p>Evidence examined:</p> <p>-Client's code of conduct at the factory.</p> <p>-A manual created by the factory which contained all required documents and all appropriate procedures for meeting the client's code of conduct and the legal requirements.</p> <p>-Training records</p>
<p>Any other comments:</p> <p>No comments</p>

Management Systems	
In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such record was noted in any public information channel as long as auditor fully acknowledge. And this was confirmed through employees and management interview.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory established policies and procedures on forced labor, child labor, discrimination, harassment & abuse and no negative evidence was found.
If Yes, is there evidence (an indication) of effective implementation? Please give details.	The factory had established the related policy and provided the training to all related workers to make sure the policy effectively, that was also confirmed via interview with workers and management staffs.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on worker and management interview, they know the policies well.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory provided the training to management and workers. The related record was provided for review. For example: The last date of ETI training: May 11, 2024. The last date of new workers orientation training: April 28, 2024 The last date of Health & Safety training: May 04, 2024 The last date of Personal Protective Equipment's training: May 04, 2024
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site have ISO 14001:2015 certification
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Mr. Sahidar Rahman Khan, Sr. Executive (HR, Admin & Compliance) is responsible for human resource department.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Managing Director of this company is responsible for implementation the code as a senior person of this site
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The information and privacy protection procedure was available for review.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The information and privacy protection procedure was available for review.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory had the risk assessment including procedure and assessment records.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Control like elimination, substitution, engineering control, admin control, PPE and it is effective.

Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory assessed the risks related all aspects of the ETI code, eg. Working hours, wages & benefits, harassment, discrimination, ethics, H&S, environment issue. 2. The control methods were advised and implemented if the middle or high risks were identified.
Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory has all legal license and permissions from the concern authority.
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 Please give details: The factory set up the procedure and appointed executive department to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has written policy on land rights; however it is not included any due diligence the company will undertake to obtain free, prior and informed consent.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The management stated as well as shown the documents that, this is their rented building and they can build or expanded as per their need (After needed permission of land owner)
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: This area was provided by local government as Commercial/ industry area.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: All the process of building was legal according to the interview and document review.

Non-Compliance		Evidence																																																									
[Back to findings summary]																																																											
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1 - Freely chosen Employment

[Summary of Findings]

1: Compliance Requirements

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current Systems:

- Based on interview with the management & workers and document review, it was identified that the factory had established the employment policies & program.
- The employees obtained their job by HR market or by friend's recommendation.
- Based on the workers and management interviews, the workers were free to leave after work shift, and there was no bonded or involuntary prison labour identified.
- The terms and conditions of employment in the policy state that the workers are free to leave the workplace outside of their working hours.
- The workers weren't required to lodge ID card or other certificates when recruitment.

Evidence examined:

- The facility established a policy to ensure employment is freely chosen, and all the relevant documents were provided for review
- Personnel files
- Contracts to establish notice periods.
- Management interview and employee interview

Any other comments:

No comments

Is there any evidence of retention of original documents, e.g. passports/ID' (if yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)

☐ Yes ☒ No

Please give details:

Are there any restrictions on workers' freedom to terminate employment?

☐ Yes ☒ No

Please give details:

There was no restrictions to terminate their employment

If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?

☐ Yes ☐ No ☒ Not Applicable

Please give details:

N/A

Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No restrictions to leave the site at the end of the work day
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The site understands the risks of forced / trafficked / bonded labour in its supply chain and no workers are affected.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has policy and procedure that not to use any such forced or trafficked labors in their supply chain. Both management and workers are aware of this issue.

Audit company:
SIPAS CR-PERU

Report reference:
ZAA600067382

Start Date:
2024-05-26

End Date:
2024-05-26



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

[Summary of Findings]

2: Compliance Requirements

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.

2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined

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

Current Systems:

- The Bangladesh constitution guarantees Freedom of Association; and Bangladesh Labor Law has given the rights to workers to form an association. If 30% workers in the same factory wants to form an association, they can apply directly to the government.
- By workers interview, it was noted that workers could raise their complaint to the supervisor directly or through worker representatives which formed by election process.

Evidence examined:

- Rights to make complaint and suggestion by written or verbal procedure
- Complaint and suggestion handling record.
- Freedom of Association policies.

Any other comments:

No comments

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Workers participation committee
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Workers can contact and talk to management directly and via welfare/ compliance officer. Also have the suggestion/ complain box in the confidential area of the factory.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 Please give details: There was a room in the office for conducting committee related business

Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Workers participation committee
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Confirmed with worker representative interview and worker interview that, they are aware of their representatives
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2022-07-24
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	2.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Confirmed with worker representative interview and worker interview that, there is a workers committee which established by the election process & its effective
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Audit company:
SIPAS CR-PERU

Report reference:
ZAA600067382

Start Date:
2024-05-26

End Date:
2024-05-26



3 - Working Conditions are Safe and Hygienic

[Summary of Findings]

3: Compliance Requirements

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

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

Current Systems:

1. General Health and Safety management

- Potable water was freely available in all areas.
- Enough clean toilets segregated by gender were available at all times to workers.
- Ventilation, temperature and lighting were adequate for the production processes.
- Minutes of meetings show that there are monthly meetings between the H&S committee (workers) and the H&S manager, and each point is acted on.

2. Fire Safety

- Without cutting section (shed 1 have only one exit) and other all sheds & production area were at least 2 exits from each work area and were clearly marked.
- Firefighting equipment was adequate and checks were up-to-date.
- Evacuation plans were posted in all areas and understood by all workers interviewed
- Fire drill was organized and recorded twice per year at least.

3. Electrical and machine safety

- All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- There were electricians at the site, they are working but their competency certificates were not available for review.
- Did not have special equipment used on site.

4. Medical services

- There were adequate first aid kits in each production area and they were well stocked.
- There were first aid personnel, they confirmed they had been trained at a local Red Cross.

5. Chemical safety

- This site has not any wet process, nevertheless they are using some chemical like machine oil, Spot lifter etc and secondary containment and proper labeling used there.

Evidence examined:

Audit company:

SIPAS CR-PERU

Report reference:

ZAA600067382

Start Date:

2024-05-26

End Date:

2024-05-26

- Facility tour
 - The facility has one exit but no secondary exit in the cutting section in shed 1
- Management interview and employee interview
- Health and safety policy
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Government licenses and checks on air quality and noise level
- Building structure safety certificates
- Fire safety certificates
- Trained first aid personnel register
- Accident reports
- Chemical list and MSDS for chemical
- Potable water testing certificates
- Interviews with H&S manager
- Interviews with workers and H&S committee members
- Special equipment inspection report and operators' certificate
- Canteen staff health certificate

Any other comments:

No comments

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility set up the policy and procedures and provided training including for the new workers.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The policies related to health and safety included in the employee manual/handbook. Though handbook not provided yet to all employees.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No structural addition was done.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During any visit by others party, management inform them about H&S issues.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility set up a medical room with equipped well.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility appointed a nurse and Doctor, with sufficient first aid kits inside as well.

Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Factory is not providing transport to the workers.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No living space was provided to workers.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory performed risk assessment for the workplace and based on different sections people.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has all test reports require by law.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: This site has not any wet process nevertheless they are following environmental instruction as per local laws.






Audit company:
SIPAS CR-PERU

Report reference:
ZAA600067382

Start Date:
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End Date:
2024-05-26



Non-Compliance		Evidence																												
[Back to findings summary]																														
<table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600543440</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>181 - Insufficient number of responsible people appointed to oversee fire safety, fire prevention and fire evacuation procedure at the workplace (e.g. fire marshals) as required by law</td></tr><tr><td>Subcategory</td><td>Fire Safety - Licenses, Inspections & Training</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input checked="" type="checkbox"/> Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>Bangladesh Labor Rules- 2015, rule- 55(10): If possible, all workers or at least 18% of the workers employed in each department have to be trained on fire-fighting, emergency rescue operation, first aid and the usage of portable fire-repellant instruments. 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		 Fire fighter training-FSCD-3 of 4.jpg																												
		 Fire fighter training-FSCD-2 of 4.jpg																												
		 Fire fighter training-FSCD-1 of 4.jpg																												
		 Fire Fighter Training (internal).pdf																												

Actions	The facility should should provide refreshment training by competent person in regular basis.	
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Audit company:
SIPAS CR-PERU

Report reference:
ZAA600067382

Start Date:
2024-05-26

End Date:
2024-05-26

Non-Compliance				Evidence
[Back to findings summary]				
Non-Compliance				
Status	OPEN			
Reference	ZAF600543441			
Clause	3 - Working Conditions are Safe and Hygienic			
Issue Title	278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate			
Subcategory	Personal Protective Equipment/Clothing			
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over			
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> Costs <input type="checkbox"/> System <input type="checkbox"/> Other <input type="checkbox"/> Lack of workers			
Root cause - Other				
Local law issue	Bangladesh Labor Rules- 2015, rule- 67(2) & 68(9): In addition to the arrangement of safety and health protection measures mentioned in Sub-section (1), the concerned manufacturing institute must provide necessary equipment's, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage. The data about the disbursement of personal safety equipment's that are required for performing the activities mentioned in Section 79 (d) must be Preserved as per Form-23.			
ETI code	3.2 - Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.			
Explanation to the non compliance	During the site visit, it was identified that the use of personal protecting equipment (PPE) has not been ensured in the area below; 1. Approximately 60% of workers were found not using face masks in sewing and finishing section. 2. Two (2) out of four (4) workers were found not wearing ear muff in thread sucking section in shed 3.			
Follow up method	Follow up audit Desktop audit			
Timescale	Immediate 30 days 60 days 90 days 120 days 365 days Other 180 days			
Actions	The facility should ensure use of respective PPE by their workers where appropriate.			



[No use of mask.JPG](#)



[No use of ear muff.JPG](#)



Audit company:	Report reference:	Start Date:	End Date:	
SIPAS CR-PERU	ZAA600067382	2024-05-26	2024-05-26	Sedexglobal.com •
Sedex Audit Reference:	Sedex Members Ethical Trade Audit Report			
ZAA600067382	Version 6.1			

Non-Compliance	Evidence
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[\[Back to findings summary\]](#)

Non-Compliance			
Status	OPEN		
Reference	ZAF600543442		
Clause	3 - Working Conditions are Safe and Hygienic		
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)		
Subcategory	Machinery		
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over		
Root cause	<input checked="" type="checkbox"/> Training Costs <input type="checkbox"/> System <input type="checkbox"/> Other <input type="checkbox"/> Lack of workers		
Root cause - Other	Lack of regular monitoring and awareness.		
Local law issue	Bangladesh Labor Rules- 2015, Rule- 64(2): Effective machine guard or eye safety goggles must be installed/used in all cases where the possibility of having injuries in the eye is high.		
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.		
Explanation to the non compliance	During the floor visit gaps were identified in machine safety in the mentioned area below; a. No needle guard has been installed with approximately 12-15 sewing machines. b. Eye guards were found in inappropriate height with approximately 10-15 sewing machines. c. No pulley cover (lower part) was found with around 5-6 sewing machines.		
Follow up method	Follow up audit <input type="checkbox"/> Desktop audit		
Timescale	Immediate <input type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other		
Actions	The facility should install appropriate safety guard on all their machines, also should ensure use of the safety guards .		



[No pulley cover.JPG](#)



[No needle guard.JPG](#)



[Eye guard in inappropriate position.JPG](#)

Audit company:

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End Date:

2024-05-26

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Sedex Audit Reference:

ZAA600067382

Sedex Members Ethical Trade Audit Report

Version 6.1

Non-Compliance	Evidence
[Back to findings summary]	Sedexglobal.com

Non-Compliance	
Status	OPEN
Reference	ZAF600543443
Clause	3 - Working Conditions are Safe and Hygienic
Issue Title	202 - Fire exits are not adequate to facilitate timely evacuation
Subcategory	Fire Safety - Fire exits
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input checked="" type="checkbox"/> Other
Root cause - Other	Lack of awareness and monitoring
Local law issue	Bangladesh Labour Act 2006-72 (b),(c): (b) there shall, in so far as reasonably practicable, be provided with safe means of access to every place where any person is, at any time, required to work; (c) passages and stairways shall be clean, wide and clear of all obstructions.
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
Explanation to the non compliance	Safe escape routes have not been ensured for easy evacuation in case of emergency in the mentioned area below; 1. The facility has one exit but no secondary exit in the cutting section in shed 1 2. No aisle marking was found workers' dining area located in shed 7 3. Approximately 15-20 workers were found partially blocked by co-workers in the sewing section.
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other
Actions	The facility should ensure safe exits for all their workers in case of emergency.



Worker blocked by co-worker.JPG



No aisle in worker dining area.jpg





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No smoke detectors &
fire alarm system at child
care room.JPG

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Actions	The facility should have a functional childcare room as per local law.	

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2024-05-26 2024-05-26

4 - Child Labour Shall Not Be Used

[Summary of Findings]

4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

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

Current Systems:

- Based on documents checking, the factory kept valid and enough age information such as copies of ID card. And personal files showed that no child labor or young worker was identified in the factory.
- Based on document review and workers interview, no child labor or young worker was found in the factory.
- Based on workers interview, HR staff interviewed with them and checked their ID cards.
- Based on onsite observation, there was no child labor found.

Evidence examined:

- Facility tour
- Management interview and employee interview.
- The employee's personnel files were provided for review. Each file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.
- The facility's policy on child labour was reviewed. It states that the facility will never employ and use any child labor under the age of 18 years old.

Any other comments:

No comments

Legal age of employment:	18
Age of youngest worker found:	18
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
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A

Audit company:

SIPAS CR-PERU

Report reference:

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5 - Living Wages are Paid

[Summary of Findings]

5: Compliance Requirements

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The local legal minimum wage was BDT.3000.00 / month , All workers' wages were calculated by monthly rate.
- This wage structure has been declared by the government of Bangladesh and name as "National Minimum Wage". But the site is giving wages to its employees more than this wage structure. The site has established a policy about the wages and giving by following this which is BDT. 8000.00/month
- All workers are provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about their wages for the pay period concerned each time that they are paid.
- The factory management compensated all workers at a legal mandated rate for their overtime hours, respectively 200% of regular pay for overtime work on working days, rest days and statutory holidays.
- All workers were paid within seven working days after completion of wage period.

Evidence examined:

- Production records: inspection records and material delivery records.
- Management and Employee interviews
- Recent 3 months' social insurance receipts
- Working hour policy
- Wages policy
- Leave management policy

Any other comments:

No comments

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 8.0 Per Week: 48.0 Per Month: 208.0	Actual Per Day: 8.0 Per Week: 48.0 Per Month: 208.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 2.0 Per Week: 12.0 Per Month: 52.0	Actual Per Day: 2.0 Per Week: 12.0 Per Month: 52.0	NO

Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 115.38 Per Week: 808 Per Month: 3000	Actual Per Day: 308 Per Week: 1846 Per Month: 8000	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 35.58 Per Week: 213.5 Per Month: 925	Actual Per Day: 78.85 Per Week: 473 Per Month: 2050	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	42 samples from April 2024 (Recent month) 42 samples from December 2023 (Random month) 42 samples from May 2023 (Random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No This facility is bag manufacturing industry and following up the minimum wage's structure declared by the government for others sectors except garments and specialized industries. The Bangladesh government declared minimum wages for others sectors except garments and specialized industries is BDT. 3000. But the site is giving wages to its employees more than this wage structure. The site has established a policy about the wages and giving by following this which is BDT. 8000.00/month		
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"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	8000		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 55.0% of workforce earning minimum wage 45.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: Monthly attendance bonus; BDT 500 for all Operators and assistant operators / helpers Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	Only unauthorized absent deduction.		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	Only unauthorized absent deduction made by the management by following the legal requirements.		
Please list all deductions that have not been made.	Not have been made any deductions for any kinds of leave & authorized absent.		

Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Regular hours of worked are recorded 08 hours, including attend any awareness meetings.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: As per law, the facility made a policy about increment of worker's salary after one year of job completion. It is continuing to all employees. The payroll department is responsible to ensure the increment of workers and verify unauthorized deduction before payment.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Literally workers with equal job responsibility are treated as same and their payment is also same, but it will have a possibility to fluctuate when ones' job life/duration is more than another.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

6 - Working Hours are not Excessive

[Summary of Findings]

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

- According to workers interview and time records, working time was arranged from 08:00 am to 05:00 Pm
- Overtime was arranged from 05:00 pm to 07:00 pm.
- Working hours was recorded by electronic attendance system, the factory provided attendance records from September May 2023 to the audit day.
- Based on the working time records, all employees had one day off in every 7 days.
- Based on the working time records, the most weekly working hours was 60 hours (including 02 hours overtime).

Evidence examined:

- Employee interview
- Management interview
- Factory policy on working hours
- Working hour keeping record
- Quality and production records to cross check the hours

Any other comments:

No comments

Working hours' analysis

Systems & Processes

What timekeeping systems are used?

Electronic time recording system.

Is sample size same as in wages section?

☒ Yes ☐ No

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)

☒ Yes ☐ No

Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	12 hours/week in April 2024 12 hours/week in December 2023 12 hours/week in May 2023
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Combined hours (standard or contracted + overtime hours = total) not found over 60 during the audit
Approximate percentage of total workers on highest overtime hours:	30.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: The procedure and policy stated the workers had right to work voluntary. No restricted clause was found in any document read onsite, eg. Labour contracts, procedures and regulations.
Overtime premium	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: 200% of normal wage for overtime
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 200% of normal wage for overtime

<p>If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements
<p>Please give details</p>	<p>N/A</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. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)</p>	<input checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)
<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other</p>	<p>N/A</p>
<p>Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<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>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Audit company:
SIPAS CR-PERU

Report reference:
ZAA600067382

Start Date:
2024-05-26

End Date:
2024-05-26



7 - No Discrimination is Practiced

[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

- According to management and worker interview, the factory did not discriminate workers due to their birth, gender, age, religion, race, marital status, ethical beliefs and political background etc.; female workers and male workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement.
- No discrimination was found during the audit.

Evidence examined:

-The hiring and termination procedure leave application records.
- Payrolls records
-Attendance records
-Termination records
-Training records

Any other comments:

No comments

Gender breakdown of Management + Supervisors (Include as one combined group)

Male: 98.0%

Female: 2.0%

Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)

07

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?

☐ Hiring

☐ Compensation

☐ Access to training

☐ Promotion

☐ Termination or retirement

☒ No evidence of discrimination found

Please give details

N/A

Professional Development

What type of training and development are available for workers?

Skills development training was provided to workers and if skilled workers were assigned to sampling workshop, which could bring them more income.

Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)

☒ Yes ☐ No

8 - Regular Employment Is Provided

[Summary of Findings]

8: Compliance Requirements

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

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

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

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

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

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

Current Systems and Evidence Examined

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

Current Systems:

- The factory signed labor contracts for workers and provided one copy to them.
- All employees were recruited by the factory directly. No labor agency was used to hire workers. No temporary worker, apprenticeship schemes or home worker was identified by the auditors.
- No subcontractor was used by factory.

Evidence examined:

- Hiring and termination procedure
- Labor contract
- Personal files
- Payroll records

Any other comments:

No comments.

Responsible Recruitment

All Workers

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

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

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)

- ☐ Yes ☒ No

Migrant Workers

Type of work undertaken by migrant workers:

There are no migrant workers in the facility

Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There is no migrant workers using by the factory
Is there any observation on this finding?	N/A
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	Factory are not using any agencies workers
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Factory are not using any agencies workers
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Factory are not using any agencies workers
Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Factory are not using any contractor
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Factory are not using any contractor

Non-Compliance		Evidence																																																												
[Back to findings summary]																																																														
<table><tr><th colspan="4">Non-Compliance</th></tr><tr><td>Status</td><td colspan="3">OPEN</td></tr><tr><td>Reference</td><td colspan="3">ZAF600543446</td></tr><tr><td>Clause</td><td colspan="3">8 - Regular Employment Is Provided</td></tr><tr><td>Issue Title</td><td colspan="3">523 - Isolated instances of no contracts / letters of appointment in place <input type="checkbox"/></td></tr><tr><td>Subcategory</td><td colspan="3">Terms of Employment/Engagement <input checked="" type="checkbox"/></td></tr><tr><td>New or carried over?</td><td colspan="3"><input type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td colspan="3"><input type="checkbox"/> Training System <input type="checkbox"/> Costs <input type="checkbox"/> Other Lack of workers</td></tr><tr><td>Root cause - Other</td><td colspan="3"></td></tr><tr><td>Local law issue</td><td colspan="3">Bangladesh Labor Act- 2006, section 5: No employer shall employ any worker without giving such worker a letter of appointment and every such employed worker shall be provided with an identity card with photograph.</td></tr><tr><td>ETI code</td><td colspan="3">8.1 - To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</td></tr><tr><td>Explanation to the non compliance</td><td colspan="3">Noted through the document review, management & worker interview that, the facility does not provide appointment letters to all their workers during the recruitment process. As per the management statement, the facility has system in place to provide appointment letter to all their workers, but it took 10-15 days time to provide the letter in recruitment process. During interview 3 new workers were found working in the factory for 15-20 days but did not get the contract letter yet.</td></tr><tr><td>Follow up method</td><td colspan="3">Follow up audit Desktop audit</td></tr><tr><td>Timescale</td><td colspan="3">Immediate 30 days 60 days 90 days 120 days 365 days Other 180 days</td></tr><tr><td>Actions</td><td colspan="3">The facility should provide written contracts to their workers</td></tr></table>			Non-Compliance				Status	OPEN			Reference	ZAF600543446			Clause	8 - Regular Employment Is Provided			Issue Title	523 - Isolated instances of no contracts / letters of appointment in place <input type="checkbox"/>			Subcategory	Terms of Employment/Engagement <input checked="" type="checkbox"/>			New or carried over?	<input type="checkbox"/> New <input type="checkbox"/> Carried Over			Root cause	<input type="checkbox"/> Training System <input type="checkbox"/> Costs <input type="checkbox"/> Other Lack of workers			Root cause - Other				Local law issue	Bangladesh Labor Act- 2006, section 5: No employer shall employ any worker without giving such worker a letter of appointment and every such employed worker shall be provided with an identity card with photograph.			ETI code	8.1 - To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.			Explanation to the non compliance	Noted through the document review, management & worker interview that, the facility does not provide appointment letters to all their workers during the recruitment process. As per the management statement, the facility has system in place to provide appointment letter to all their workers, but it took 10-15 days time to provide the letter in recruitment process. During interview 3 new workers were found working in the factory for 15-20 days but did not get the contract letter yet.			Follow up method	Follow up audit Desktop audit			Timescale	Immediate 30 days 60 days 90 days 120 days 365 days Other 180 days			Actions	The facility should provide written contracts to their workers		
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Audit company:

SIPAS CR-PERU

Report reference:

ZAA600067382

Start Date:

2024-05-26

End Date:

2024-05-26

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Sedex Audit Reference:

ZAA600067382

Sedex Members Ethical Trade Audit Report

Version 6.1

8A - Sub-Contracting and Homeworking

[Summary of Findings]



8A: Compliance Requirements
8.A.1 There should be no sub-contracting unless previously agreed with the main client.
8.A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Current Systems and Evidence Examined
<i>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</i>
Current Systems:
- A site tour showed that all production processes were present in the unit. - No homeworking was used by factory. - No subcontractor was used by factory.
Evidence examined:
- Site tour (Calculation on total production and estimated capacity) - Materials in/out records - Management interview - Worker interview
Any other comments:
No comments

Summary of sub-contracting – if applicable	
Is there any sub-contracting at this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Summary of homeworking – if applicable	
Is homeworking used at this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

9 - No Harsh or Inhumane Treatment is Allowed

[Summary of Findings]

9: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- According to the factory regulation, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation were prohibited in the factory. According to worker interview, the factory treated every worker with respect and dignity, and no worker was subject to any physical, sexual, psychological or verbal harassment and abuse.

Evidence examined:

- Factory regulations, hiring procedures and anti-harassment training records were checked.
- Management interview and employee interview
- The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Any other comments:

No comments

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?

☒ Yes ☐ No

Please give details:

Grievance register, meeting minutes of workers participation committee are available for reviewing.

If yes, are workers aware of these channels and have access? Please give details.

Grievance boxes are kept in every toilet in a secured place and all boxes are checked once in a month and workers' participation committee is arranged workers' meeting regularly. If any complain comes, it gets entry in the grievance register and verified by the concern officer and all these registers are available for reviewing.

If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.

For some of the risks, actions were taken, such as training for machine operators, provide PPE, general awareness etc.

Which of the following groups is there a grievance mechanism in place for?

☒ Worker

☐ Communities

☐ Suppliers

☐ Other

Please provide grievance mechanism details

If the workers have any question or need help, they can through the suggestion box or talking direct to their manager.

Are there any open disputes?

☐ Yes ☒ No

Please give details:

Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Audit company:
SIPAS CR-PERU

Report reference:
ZAA600067382

Start Date:
2024-05-26

End Date:
2024-05-26



Non-Compliance				Evidence
[Back to findings summary]				
Non-Compliance				
Status	OPEN			
Reference	ZAF600543447			
Clause	9 - No Harsh or Inhumane Treatment is Allowed			
Issue Title	578 - Lack of a detailed disciplinary policy that has been communicated to all workers			
Subcategory	Discipline Procedures <input type="checkbox"/>			
New or carried over?	<input type="checkbox"/> New <input type="checkbox"/> Carried Over			
Root cause	Training <input type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Other <input type="checkbox"/> Lack of workers			
Root cause - Other				
ETI code	9.1 - Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.			
Explanation to the non compliance	Disciplinary policy is in place but not adequately communicated to all workers and designated employees. Interviewed employees were found not adequately aware of company disciplinary policy. During the document, it has been identified that the facility did not provide any training on disciplinary action procedures to their employees including workers, supervisors, line chief, and quality inspector. <input type="checkbox"/>			
Follow up method	Follow up audit <input type="checkbox"/> Desktop audit <input type="checkbox"/>			
Timescale	Immediate <input type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other <input type="checkbox"/> 180 days <input type="checkbox"/>			
Actions	The facility should provide training to all their employees on their disciplinary policy.			

10A - Entitlement to Work and Immigration

[Summary of Findings]

10A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

- All employees are local. As per the provided labor contracts, all employees were hired directly by the facility, no contract labor was found in the facility.

Evidence examined:

- Labor contract.
- Personnel files.
- Hiring procedure

Any other comments:

No comments

Audit company:
SIPAS CR-PERU

Report reference:
ZAA600067382

Start Date:
2024-05-26

End Date:
2024-05-26



10B4 - Environment 4-Pillar

[Summary of Findings]

10B4: Compliance Requirements

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

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

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

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

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

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

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

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

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

10B4: Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

-There are site policies and procedures concerning environmental issues to do these comparing with requirements of local laws and regulations. They have the permission including use and disposal of resources e.g. water, waste etc. The facility management is aware about environmental requirements and has system in place to be to ensure the requirements are fulfilled.

Evidence examined:

Facility management has the process of Cutting, Sewing, Finishing, Packing and Export of bags by woven fabrics. The site has measured its impacts including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use. The facility management developed a policy covering Environmental requirements and for implementation and management of environmental performance. As per management statement the factory has not been subject to any fine for noncompliance to environmental regulations and they are certified to internationally recognized certifications e.g. ISO 14001.

Any other comments:

No comments

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):

Mr. Sahidar Rahman Khan, Sr. Executive (Compliance)

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility done some environmental impact / risk assessment but it would be fully effective after appointed a designated person for environmental issues.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site have recognised environment management system (ISO 14001:2015) certification
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environment policy addresses the key impacts from their operations and their commitment to improvement.
Does the site have a Biodiversity policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: This section is not applicable for this factory.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory have all legally required permits from the concern authority & they shown it during audit.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: This site is bag manufacturing unit where the processes are cutting, sewing, finishing, packing & export. Not have any wet process here and not using hazardous chemical.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Factory management agreed to meet any client's requirements about environmental issues in their own activities.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: In the site's environmental policy describes these things.
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not yet established the waste recycling system here.

Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognized protocols or standards. Engineering and maintenance departments usually work with these issues.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility communicated to their suppliers for environmental issues and they have in policy for that.	
Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	135251	37162
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	0	0
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	Deep Tube well (Submersible Pump)	Deep Tube well (Submersible Pump)
Water Volume Used	4500	2700
Water Discharged	Soil	Soil
Water Volume Discharged	4200	2300
Water Volume Recycled	0	0
Total waste produced	Not calculated	Not calculated
Total hazardous waste produced	N/A	N/A
Waste to recycling	N/A	N/A
Waste to landfill	N/A	N/A
Waste to other	Solid waste provides to sites supplier	Solid waste provides to sites supplier
Total Product Produced	12000000	8800000

10C - Business Ethics – 4-Pillar Audit

[Summary of Findings]

10C: Compliance Requirements

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

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

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

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

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

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

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

10C: Guidance for Observations

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

Rezwan Ahmed, Managing Director is responsible for Business Ethics practice in the site and he will make the policy on business ethics and Md. Sahidar Rahman Khan, Sr. Executive (HR& Compliance) responsible for provides training on this.

Evidence examined:

The factory management developed a transparent system for confidentially reporting and dealing with unethical Business Ethics without fear of reprisals towards the reporter including responsibility about the staff of sales, purchasing, logistics etc.

Any other comments:

No Comments.

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



Internal Policy



Policy for third parties including suppliers

Please give details:

Facility has policy and procedure for internal use and both for third parties and suppliers and all policies are communicated with all parties.

Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Facility management should provide training to their mid management, financial people, purchasing people and logistics personnel.
Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility established a Business Ethics Policy recently and have planned to update by regular basis.
Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The business ethics policy included their supplier or business partner.

Audit company:
SIPAS CR-PERU

Report reference:
ZAA600067382

Start Date:
2024-05-26

End Date:
2024-05-26



Non-Compliance			Evidence																																																								
[Back to findings summary]																																																											
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Attachments



Sedex Audit-Photo Form -xxxxxxxxxxxxxxxxxx.pdf



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

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

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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