

Sedex Members Ethical Trade Audit (SMETA) Report

Version 5.0 Dec 2014, 2/4 Pillar Audit; replaces version 4.0 May 2012

Supplier name:	Reza Fashions Ltd.	
Site country:	Bangladesh	
Site name:	Reza Fashions Ltd.	
Parent Company name (of the site):	Reza Fashions Ltd.	
SMETA Audit Type:	<input checked="" type="checkbox"/> 2-Pillar	<input type="checkbox"/> 4-Pillar
Date of Audit	13 April, 2017	

Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 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
 - Management systems and code implementation,
 - 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 EthicsThe new ETI Working Hours Clause
 - Now integrated into this latest SMETA version.

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.





Audit Company Name: Global Sustainable Certification Services Ltd.	Report Owner (payee): <i>(If paid for by the customer of the site, please remove for Sedex upload)</i> Reza Fashions Ltd.
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1000979
Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1016066

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

Auditor Reference Number: <i>(If applicable)</i>	GSCS15
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SMETA Declaration

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

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

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

Lead auditor: Md. Kamal Hossain

Team auditor: Md. Hasan, Ms. Shahria Hasan Shuchi and Md. Rahmat Sikder

Interviewers: Md. Kamal Hossain), Md. Hasan and Ms. Shahria Hasan Shuchi.

Date: 13 April, 2016

Non-Compliance Table

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>			Record the number of issues by line*:		
	ETI Base Code	Local Law	Additional Elements <i>(i.e. not part of ETI code)</i>	NC	Obs	GE
0 Management systems and code implementation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	01	00	00
1 Employment Freely Chosen	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
2 Freedom of Association	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		01	00	00
3 Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		01	00	00
4 Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
5 Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>		00	00	01
6 Working Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		01	00	00
7 Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
8 Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
8A Sub-Contracting and Home working		<input type="checkbox"/>	<input type="checkbox"/>	00	00	00
9 Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
10A Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	00	00	00
10B2 Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	00	00	00
10B4 Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>			
10C Business Ethics		<input type="checkbox"/>	<input type="checkbox"/>			

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

Summary of Findings

Summary of main findings: (positive and negative)
(Please give a short summary of the main findings per clause)

Understanding and communication between management and workers found good. Management were committed to comply with the entire requirement and workers are happy with Management attitude. Managers are aware about the social compliance requirements and very much positive about the requirements. During the interview no negative comments raised from the workers.

During audit few findings raised in the different areas as below:

0 Management systems and code implementation

It was noted through management interview & legal document review that Factory license found 'I' category instead of 'J' category as per existing workforce.

2 Freedom of Association

It was noted through workers interview and document review that PC committee consists of 22 members instead of 18 members.

3 Safety and Hygienic Conditions

It was noted through floor tour that fire extinguisher and fire hose reel found block by table at dining area.

6: Working Hours are not Excessive

It was noted through document review and seven workers (packing section) interview that they were not received one day rest within seven working days in the month of April, 2017.

Audit Details

Audit Details			
A: Report #:	GSCS-BD-2017-0413		
B: Time in and time out <i>(SMETA Best Practice Guidance and Measurement Criteria recommends 9.00– 17.00 hrs. if any different please state why in the SMETA declaration)</i>	Day 1 Time in: 09:00 Day 1 Time out: 17:30	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
C: Number of Auditor Days Used: <i>(number of auditor x number of days)</i>	Four auditors in one day		
D: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other - Define		
E: Was the audit announced? <i>(AAG recommends a window of three weeks for semi-announced, this gives optimum results)</i>	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: Two weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If No , why not? <i>(Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)</i>	N/A		
G: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
H: Auditor name(s) and role(s):	Md. Kamal Hossain (Lead Auditor), Md. Hasan (Auditor), Ms. Shahria Hasan Shuchi (Auditor) and Md. Rahmat Sikder (Auditor)		
I: Report written by:	Md. Kamal Hossain (Lead Auditor)		
J: Report reviewed by:	Md. Abdul Mottaleb (Reviewer)		
K: Report issue date:	20 April, 2017		
L: Supplier name:	Reza Fashions Ltd.		
M: Site name:	Reza Fashions Ltd.		

N: Site country:	Bangladesh
O: Site contact and job title:	Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance)
P: Site address: (Please include full address)	Gorat, Ashulia, Savar, Dhaka-1341, Bangladesh
Site phone:	+ 88-02-9663654
Site fax:	+ 88-02-9662283
Site e-mail:	monirislam@rezagroup-bd.com
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	Factory License: 14426/Dhaka, Trade License: 126/2016, Certificate of Incorporation: C-77112/09, EPB: BD05175, TIN: 878434684872, Group Insurance: BGA/insu/2016/16728, Fire License: DD/Dhaka/22040/10, ERC: RA-0095883, IRC: BA-0197716, Bond License: 1333/CUS-SBW/2011, BGMEA Membership: 4965, Boiler License: 4629-31, 2289-2292, BERC: LWC-1055/1056
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Product: Woven Garments Process: Cutting, Sewing and Finishing
S: Audit results reviewed with site management?	Yes
T: Who signed and agreed CAPR (Name and job title)	Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance)
U: Did the person who signed the CAPR have authority to implement changes?	Yes
V: Present at closing meeting (Please state name and position, including any workers/union reps/worker reps):	<p><u>Global Sustainable Certification Services Ltd. (Auditor)</u> Md. Kamal Hossain (Lead Auditor). Md. Hasan (Auditor) Ms. Shahria Hasan Shuchi (Auditor) Md. Rahmat Sikder (Auditor)</p> <p><u>Facility Management Representative.</u> Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance). Md. Abdul Bari-Officer/ Compliance. Mr. Lokman Hossain Khan-Executive / Accounts. Md. Shahadad Hossain- Officer / Admin. Md. Tara Mia-Electrical Engineer. Ms. Amina Khatun-Welfare Officer.</p> <p><u>Worker Representative.</u> <u>Ms. Moni Rani (Worker Representative)</u></p>

W: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee(Worker Participation Committee) <input type="checkbox"/> Other (specify) <input type="checkbox"/> None			
X: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Y: Previous audit date:	12 April, 2016			
Z: Previous audit type:		SMETA 2–pillar	SMETA 4–pillar	Other
	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow–Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow–Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*If other, please define:				

Audit Scope/Actual Results

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week and month)</i>	Legal maximum: 08 hours per day 48 hours per week 208 hours per month	08 hours per day 48 hours per week 208 hours per month	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Legal Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week and month)</i>	Legal maximum: 02 hours per day 12 hours per week 52 hours per month	02 hours per day 12 hours per week 52 hours per month	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Legal age of employment: <i>(Minimum legal and actual minimum age at site)</i>	Legal minimum: Above 14 years (Limited hours work)	Site minimum: Above 18 years.	
D: Legal minimum wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week and month)</i>	Legal minimum: BDT 22.08 per hour, BDT 176.66 per day BDT 1236.66 per week, BDT 5300.00 per month	Site minimum: BDT 22.08 per hour, BDT 176.66 per day BDT 1236.66 per week, BDT 5300.00 per month	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
E: Legal minimum overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week and month)</i>	Legal minimum: Basic Salary X 2 X O. T. Hours / 208	Site minimum: Basic Salary X 2 X O. T. Hours / 208	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Audit Scope

(Please select the code and additional requirements that were audited against during this audit)

2–Pillar Audit	<input checked="" type="checkbox"/>
10B4: Environment 4–Pillar	<input type="checkbox"/>
10C: Business Ethics	<input type="checkbox"/>
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	<input checked="" type="checkbox"/>

as well as workers supplied by other contractors.

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

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

Audit Overview

Audit Overview			
	Management	Worker Representatives	
Audit attendance	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No NA
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	Not Applicable		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	Not Applicable		

<p>F: Site description: <i>(Include size, location and age of site. Also include structure and number of buildings)</i></p>	<p>Reza Fashions Ltd. Is an all kind of woven garments factory which located on Gorat, Ashulia, Savar, Dhaka-1341, Bangladesh and this facility operating since 2010. Main process is Cutting, Sewing and Finishing. Total number of employees is 2174 where 1478 female and 696 male employees.</p> <p>Process Description are as follows:</p> <p>Floor wise building description is as follows.</p> <p>There are two buildings. One is six storied production building (Main building) and another one is 3 storied utility building, which is adjacent with this main building.</p> <p>Ground to 2nd floor was covered by the fire license on behalf of Reza Fashions Limited, 3rd floor was covered by the fire license on behalf of Allure Apparel Ltd. and 4th -5th floor was covered by the fire license on behalf of Fashion Plus Ltd. Allure Apparel Ltd. and Fashion Plus Ltd. is operating at Farmgate, Dhaka, Bangladesh. Management stated that they have a plan to start the production of Allure Apparel Ltd. and Fashion Plus Ltd. at current address (Bagbari, Gorat, Savar, Dhaka-1349) under the same group and management and deferent business license.</p> <p>Building descriptions:</p> <p>Production Building:</p> <p>Ground floor: Finishing section, Child care, Medical room, Fabric store, Accessories store, Metal free zone, Mini Electric Boiler, Compressor room, Spot removing room, Quality inspection Packing Section and Admin Office.</p> <p>First floor - Third floor: Sewing Section and Office.</p> <p>Fourth floor: Cutting section, Finishing section, Quality inspection Area and Office.</p> <p>Fifth floor: Sewing, Finished Goods and Office.</p> <p>Roof top: Wastage room and Open Space</p> <p>Utility Building 01:</p> <p>Ground floor: Generator and Electric Sub-station</p> <p>First floor: Sample section</p> <p>Second floor: Staff canteen</p> <p>Utility Building 02:</p> <p>Fire Hayden</p> <p>Shade: Dining area is located in a shade outside of the factory premises.</p>
<p>G: Site function:</p>	<p><input type="checkbox"/> Agent</p> <p><input checked="" type="checkbox"/> Factory Processing/Manufacturer</p> <p><input type="checkbox"/> Finished Product Supplier</p> <p><input type="checkbox"/> Grower</p> <p><input type="checkbox"/> Homeworker</p> <p><input type="checkbox"/> Labour Provider</p> <p><input type="checkbox"/> Pack House</p>

	<input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	The factory has no significant or off peak season.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	
<p>Products: All types of woven garments Main process includes Cutting, Sewing and Finishing.</p> <p>The main equipments are used by the factory are:</p> <p>3Needle(Chainstitch) Machine 40 Pcs, Attacher Machine 1 Pcs, Auto Plastic Attacher-Gem-1Pcs, Band Knife Machine (M:EC-700N)-1set, Bartac-LK-1900AHS/MC-596KSS-61 Pcs, Blind Stitch-H-101-2 Pcs, Boiler small-Naomoto-35 Pcs, Boiler small-SC-100SE-36 Pcs, Button hole -LBH781U-25 Pcs, Button Stitch-LK-1903-23 Pcs, Button test-SAF Q-2 Pcs, Button Wrapping Machine-1 Pcs, Chain Stitch-Gem-8300-1 Pcs, Cutting-Eastman 629X10-4 Pcs, Cutting-Estman-EC6-4 Pcs, Cutting-KM-AUV-10-10 Pcs, Cylinder bed-MF-7223D-U10-B56-18 Pcs, End cutter ec-6-6 Pcs, Exhaust fan-kpi thailand-40 Pcs, Eyelet hole-meb-3200-JSKA-10 Pcs, Fabric inspection-lee wai-2 Pcs, Feed off the arm-MS-1261F/V045S-68 Pcs, Flat lock(Siruba)-2 Pcs, Flat lock-(kansai)-3 Pcs, Fushing Machine-Novo 45 PN-1 Pcs, Fusing Machine-OP450GS-5 Pcs, Kansai -B-2000C-10 Pcs, Kansai -DFB-1411PXP-14 Pcs, Kansai-DFB-1400(1411pxp)-26 Pcs, Kansai-DLR-1503-PTF-12 Pcs, Metal Detector-2 Pcs, MK-6J Water Softner-3 Pcs, NBC-4500R-Steam Boiler-7 Pcs, O/L-Machine 5THMO-6716S-FH6-50H-87 Pcs, O/L-Machine 6TH -MO-6743S-1D6-4-46 Pcs, O/L-MO-6714S 4Thread-41 Pcs, Pattern sewing-AMS 210EN-10 Pcs, Plane Machine (N/F)DLN-5410N-30 Pcs, Plane Machine(Manual)-40 Pcs, Plane Machine(V/T)-DLM-5200ND-60 Pcs, Plane Machine-DDL-8700-H7WB-571 Pcs, Plotter-1 Pcs, Saddle Stitch MP200NL-6 Pcs, Snap Button-20 Pcs, Snap Button-NS-47-10 Pcs, Spot Remover-NS-056-1 Pcs, Spot Remover-NS-3301-1 Pcs, Steam Iron -AS-1450-15 Pcs, Steam Iron-HSL-620-10 Pcs, Thread Sucker-NS 54-4 Pcs, Thread Trimming-Unison-15 Pcs, Thread Winder-Hashima-5 Pcs, Trouser Finisher-Naomoto-2 Pcs, Two Needle LH-3588AGF-25 Pcs, Two Needle-LH3528SGF-90 Pcs, Two Needle-LH3568SGF-2 Pcs, Twoneedle F/B-LH-3578AGF-40 Pcs, Vaccume Table-40 Pcs, Vaccume Table-STAO-1 Pcs, Vibe Mac-Feedof The ARM-2261H-2 Pcs, Vibe Mac-Hemming-3022-BHE-L-3 Pcs, Water Softner-Naomoto-4 Pcs, Ziczac-Yamata-1 Pcs, Zigzag-LZ-391N-3 Pcs, Air Filter-1 Pcs, Auto Armhole Seam Press-NS-725-1 Pcs, Auto Armhole Seam Press-NS-725-1 Pcs, Auto Edge And Long Seam Press-1 Pcs, auto Outside Sleeve press-NS-72-1 Pcs, Auto Rectangular Press-NS-7256-1 Pcs, Auto Utility Press -NS-7255-1 Pcs, Automatic Collar Press-NS-7254-1 Pcs, Compressor-2 Pcs, Fuel Filter (Primary)-2 Pcs, Fuel Filter (Secondary)-2 Pcs, Gazi Tank-1 Pcs,GaziTank100LTR2Pcs,Genarator/Synchronizing Panel-1 Pcs, Generator-110KVA-1 Pcs, Generator-160KVA-1 Pcs, Generator-550KVA-1 Pcs, Hit Cutting KH-200-K.M Brand-2 Pcs, Hot Air Seam Sealing-HTM-3777LD -2 Pcs, Oil Filter-3 Pcs, Radiator-1 Pcs, Sub-Station-Betelco-1 Pcs, Vaccume Table-CST-ST-15 Pcs, Water Pump-2 Horse-1 Pcs.</p> <p>Main process is Cutting, Sewing and Finishing of woven garments. Total number of employees is 2174 where 1478 female and 696 male employees.</p> <p>All the employees are monthly salary based. The employees work for 6 days in a week (Saturday to Thursday). Working hour in the facility is 8:00 am to 5:00 pm. If in case of emergency worker can two hours extra work in voluntary basis from (5:00 am to 7:00 pm) and 1 hour lunch break from 1:00 pm to 2:00 pm.</p>	
J: Attitude of workers: (Include their attitude to management, workplace and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk	

Employees' interviews were conducted privately. 62 employees were selected from different work areas Cutting, Sewing, Finishing and randomly from payroll sheet. In the interview process, the auditor asked employees about general information like Worker Participation Committee, minimum wage, working hours, benefits, training, good practices of the facility, health and safety condition, forced labour and environment. None of the interviewed employees reported about any kind of verbal or physical harassment. No discriminatory measure is taken while hiring, increment and promotion.

K: Attitude of workers committee/union reps:
 (Include their attitude to management, workplace and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk

Understanding and communication between management and workers were good. Management were committed to comply with the entire requirement and workers are happy with Management attitude. Workers representative are aware about the social compliance requirements and very much positive about the requirements. During the interview no negative comments raised from the workers committee representative.

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

Managers are well aware about the legal requirements of social compliance. The facility management was cooperative throughout the audit process. All documents requested for review were provided in time. The facility management gave permission to take necessary photographs, collect copies of necessary documents and to conduct employee interview privately. At the end of the audit, the facility management accepted all findings of non-compliance.

Key Information

Key Information <i>(click on the key information title to go to appropriate section of the report)</i>		
A: Do all workers (including migrant workers) have contracts of employment/employment agreements? (Go to clause 8 – Regular Employment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Are maximum standard/contracted working hours clearly defined in contract/employment agreements? (Go to clause 8 – Regular Employment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Were appropriate records available to verify hours of work and wages? (Go to clause 5 – Living Wage)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
D: Were any inconsistencies found? (if yes describe nature) (Go to Wages Table)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? (Go to clause 5 – Living Wage)	Wages found:	Please indicate the breakdown of workforce according to earnings:
	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	_0_ % of workforce earning under min wage _20_ % of workforce earning min wage _80_ % of workforce earning above min wage
F: % of piece rate workers: (if applicable)	N/A	
G: Do the standard/contracted hours stated in a contract/employment agreement exceed the law or 48 hours per week? (Go to clause 6 – Working hours)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
H: If yes, what are the standard/contracted hours per week as stated in the contract/employment agreement? (Go to clause 6 – Working hours)	_____ hrs/week	Approx. _____ % of ALL workers on these contacted hours
I: Combined hours (standard/contracted plus overtime = total hours) over 60 per week found? (Go to Working Hours Analysis)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
J: Are workers provided with 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If 'No', please explain:	

K: Are the correct legal overtime premiums paid? (Go to Wages Table)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium
L: Please state what actual OT is paid. (As a percentage of the workers standard rate) (Go to Working Hours Analysis)	<i>Please give details of overtime premium as a % of standard wages:</i> <input type="checkbox"/> 0% <input type="checkbox"/> 1% – 115% <input type="checkbox"/> 116% – 124% <input type="checkbox"/> 125% – 199% <input checked="" type="checkbox"/> 200%+ Please give details:
M: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
N: % of workers living in site provided accommodation (if applicable):	N/A
O: Age of youngest worker found: (Go to clause 4 – Child labour)	20
P: Workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
% of under 18's at this site (of total workers)	0%
Q: What form of worker representation/union is there on site? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee(Worker Participation Committee) <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
R: Is it a legal requirement to have a union? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
S: Is It a legal requirement to have a workers committee? (Go to clause 2 – Freedom of Association)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
T: Is there any other form of effective worker/management communication channel? (Other than union/worker committee) (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Describe:
U: Are there any External Processes? (Go to clause 8A – Sub-contracting and Home working)	<input type="checkbox"/> Sub-Contracting <input type="checkbox"/> Homeworking <input type="checkbox"/> Other External Process <input checked="" type="checkbox"/> No external processes

Management Systems

Management Systems:	
A: Nationality of Management	Bangladeshi
B: Gender breakdown of Management + Supervisors <i>(Include as one combined group)</i>	Male: <u>90</u> % Female: <u>10</u> %
C: Majority nationality of workers	Bangladeshi
D: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	<u>04</u> %
E: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
F: If No , why not?	N/A
G: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe:
H: 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 describe:
I: If Yes , is there evidence (an indication) of effective implementation? Please give details.	Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance) is responsible to communicate the policies and procedures with the employees of this facility, Also the policies and procedures are displayed in notice board.
J: 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 describe:
K: If Yes , is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	Facility management provided training on different topic. In last month Environment Health and Safety training conducted on 12/04/2017. PPE training conducted on 12/04/2017. First Aid training conducted on 19/03/2017. and Fire fighting training conducted on 22/03/2017 etc. Training effectiveness found fare from the feedback of workers interview.
L: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe:

M: If Yes , are workers aware of these channels? Please give details.	During workers interview Auditor has explained the complaint mechanism and grievance system to them and provide complaint card.
N: Have health and safety risks been identified e.g. through internal audits, formal risk analysis process, worker involvement etc.?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe:
O: If Yes , has effective action been taken to reduce or eliminate these risks?	PPE were provided to the workers at free of cost and training provided on using of the PPE. Risk assessment and awareness poster displayed in different section.
P: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe:
Q: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe:
R: Does the site have all required land rights licenses and permissions (see <i>SMETA Measurement Criteria</i>)?	Yes
S; Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). <i>Please detail (Number and date).</i>	No
T: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Wing Commander, Md. Monirul Islam, psc (Retd)- is head of Human Resources department.

Worker Analysis

Worker Analysis								
	Local			Migrant			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	696	0	0	0	0	0	0	696
Worker numbers – female	1478	0	0	0	0	0	0	1478
Total	2174	0	0	0	0	0	0	2174
Number of Workers interviewed	62	0	0	0	0	0	0	62

Contractors:

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

A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If Yes , how many workers supplied by contractors	N/A
C: Are all contractor workers paid according to law?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , Please give evidence for contractor workers being paid according to law:	N/A

Migrant Workers:

(Please see SMETA Best Practice Guidance and Measurement Criteria for definitions of migrant workers)

D: Originating Locations/Countries:	N/A
E: Type of work undertaken by migrant workers :	N/A
F: Were migrant workers recruited through an agency? If yes, please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe:

<p>If Yes, is there a contract with the agency? Provide details of agencies and contractual arrangements including any fees lodged during the recruitment process.</p>	<p>N/A</p>
<p>G: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe:</p>
<p>H: Percentage of migrant workers in company provided accommodation:</p>	<p>N/A</p>

Audit Results by Clause

0: Managements system and Code Implementation [\(click here to return to NC Table\)](#)

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

Current Systems and Evidence Examined

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

Current systems:

Factory has defined their own code of conduct. The code also displayed and communicated in local language to the workers.

Company appointed a member of senior management Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance) who is responsible for compliance with the code.

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

Company has communicated the code with suppliers by providing the copy of this code and collected their consent of reasonably practice of the code and extend of this ethical code through their supply chain. They also have conducted social audits of the suppliers based on their own checklist.

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law
 It was noted through management interview & legal document review that Factory license found 'I' category instead of 'J' category as per existing workforce.

Local law and/or ETI requirement:

In accordance with **Bangladesh Labor rules-2015, section-355,**

Recommended corrective action:

It is recommended that management shall keep all legal license approvals and certificate appropriate and up to date.

(Recommended Completion Timescale: 90 days)

Objective evidence observed:

(where relevant please add photo numbers)

Document Review & Management Interview

Observation:	
Description of observation: None Observed Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): None	Objective evidence observed: Not Applicable

1: Employment is Freely Chosen

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

ETI

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

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

Current Systems and Evidence Examined

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

Current systems:

Company has defined “Policy on Force labour” stated that company has not appointed any Forced, bonded and involuntary prison labour and it is strictly prohibited in the company.

It was noted through management interview, worker interview and document review that company is not keeping deposits or their identity papers of employees.

Company has defined a Termination policy which clearly states that workers are free to leave with reasonable notice which fully compliant with Bangladesh Labor (Amendment) Law 2013.

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

Company has provided Job contract to every employees which states that any employees are free to leave with a reasonable notice as per the conditions of employment of Bangladesh Labor (Amendment) Law 2013.

Over Time is also voluntary and workers are free to leave once the regular shift hours are completed. This was verified during worker interview and found compliant with legal requirements.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law:
None Observed

Local law and/or ETI requirement

Not Applicable

Recommended corrective action:

Not Applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not Applicable

Observation:	
Description of observation: None Observed Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): None	Objective evidence observed: Not Applicable

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

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

"Freedom of Association Policy" clearly states that the workers are free to join or form union of their own choice. Since the workers have not formed any union in the factory, the company has formed a Worker Participation Committee by election of worker.

"Freedom of Association Policy" clearly states that workers representatives are not discriminated and have the access to carry out their activities in the workplace

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

The Worker Participation Committee has 22 members (12 workers and 12 management staff). The Worker Participation Committee meets once in every two months and minutes of the meeting are displayed on company notice board. The last meeting of WPC conducted on 14 February, 2017.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

It was noted through workers interview and document review that PC committee consists of 22 members instead of 18 members.

Local law and/or ETI requirement:

In accordance with **ETI Base Code and Bangladesh Labour Rules-2015: Section 183,**

Recommended corrective action:

Facility management shall ensure form of pc committee as per guide line of local law.

(Recommended Completion Timescale: 90 days)

Objective evidence

observed:

(where relevant please add photo numbers)

WPC Member Interview & Document Review

Observation:	
Description of observation: None Observed Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

A: Name of union and union representative, if applicable:	Not Applicable	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
B: If no union what is 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"/> N/A
C: Were worker representatives/union representatives interviewed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: 3	
D: State any evidence that union/workers committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Last Meeting Date: 14/02/2017 Topic: Grievance Procedure, WPC Committee Responsibility and Safety Committee. Minutes were communicated through notice board.	
E: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
F: If Yes what percentage by trade Union/worker representation	___% workers covered by Union CBA	___% workers covered by worker rep CBA
G: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Good Examples observed:	
Description of Good Example (GE): None	Objective evidence observed: Not Applicable

3: Working Conditions are Safe and Hygienic

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

ETI

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Company has defined a detail policy for health and safety. There is a committee named Health and Safety committee is continuously monitoring the operation level.

Company has provided training on health, safety and hygiene and found records of the trainings during the documents review. They also provided induction training for the new workers and repeated training for the reassigned workers.

Company has not provided Accommodation/Dormitory Facility

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

Company formed a health and safety committee and meeting held regularly to resolve the Health and Safety related issues of this company.

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law It was noted through floor tour that fire extinguisher and fire hose reel found block by table at dining area.</p> <p>Local law and/or ETI requirement In accordance with ETI base code and Bangladesh Labor Rules 2015, Section – 55,</p> <p>Recommended corrective action: The factory shall ensure all types of fire equipment are free from any kind of blockage (Recommended Completion Timescale: 30 days)</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>Floor Tour NC Photo No-01</p>

Observation:	
<p>Description of observation: None Observed</p> <p>Local law or ETI requirement: Not Applicable</p> <p>Recommended corrective action: Not Applicable</p>	<p>Objective evidence observed:</p> <p>Not Applicable</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>None</p>	<p>Objective Evidence Observed:</p> <p>Not Applicable</p>

4: Child Labour Shall Not Be Used

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

Company has well defined policy for child labour conforming local and ILO standards what describes that they are not employing any child labour. During the audit no child labour found or suspected. They are going through an age verification test by the registered doctor before employing any worker and the proof of age are keeping in the personal file. From the establishment of the company no child labour found or recorded.

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

As per the local law anyone under 18 years of age is child and they are not employing any child at any circumstances. No child or young workers found during the audit in the facility.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law
 None Observed

Local law and/or ETI requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not Applicable

Observation:	
Description of observation: None Observed Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): None	Objective Evidence Observed: Not Applicable

5: Living Wages are Paid

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Company is providing wages and benefits as per the national legal standards. 80% of workers are exceeding minimum legal wage level and rests who are unskilled new workers are also meeting the minimum legal standards.

Company is providing Appointment letter with all the particulars of wages in local language. Company is maintaining wage sheet for each pay period and providing pay slip with all particulars of each pay period.

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

Company has defined Disciplinary action policy and Deduction policy. Both are in line with the national law. Review three months payroll for 62 randomly selected workers from last 12 months and their attendees and time recording details.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law
 None Observed

Local law and/or ETI requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not Applicable

Observation:	
Description of observation: None Observed Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): Factory Provided Attendance Bonus	Objective Evidence Observed: Payroll record review and Worker & Management Interview

Wages analysis: (Click here to return to Key Information)																																																																
A: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	62 workers (62 payroll records was reviewed from April 2016, October 2016 and March 2017)																																																															
B: Are there different legal minimum wage grades? If Yes, please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please give details: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Grade</th> <th>Basic Wage</th> <th>House Rent</th> <th>Medical</th> <th>Conv eyance</th> <th>Food Allowance</th> <th>Gross Salary</th> </tr> </thead> <tbody> <tr><td>1</td><td>8500</td><td>3400</td><td>250</td><td>200</td><td>650</td><td>13000</td></tr> <tr><td>2</td><td>7000</td><td>2800</td><td>250</td><td>200</td><td>650</td><td>10900</td></tr> <tr><td>3</td><td>4075</td><td>1630</td><td>250</td><td>200</td><td>650</td><td>6805</td></tr> <tr><td>4</td><td>3800</td><td>1520</td><td>250</td><td>200</td><td>650</td><td>6420</td></tr> <tr><td>5</td><td>3530</td><td>1412</td><td>250</td><td>200</td><td>650</td><td>6042</td></tr> <tr><td>6</td><td>3270</td><td>1308</td><td>250</td><td>200</td><td>650</td><td>5678</td></tr> <tr><td>7</td><td>3000</td><td>1200</td><td>250</td><td>200</td><td>650</td><td>5300</td></tr> <tr><td>Appren tice</td><td>2300</td><td>920</td><td>250</td><td>200</td><td>650</td><td>4320</td></tr> </tbody> </table>	Grade	Basic Wage	House Rent	Medical	Conv eyance	Food Allowance	Gross Salary	1	8500	3400	250	200	650	13000	2	7000	2800	250	200	650	10900	3	4075	1630	250	200	650	6805	4	3800	1520	250	200	650	6420	5	3530	1412	250	200	650	6042	6	3270	1308	250	200	650	5678	7	3000	1200	250	200	650	5300	Appren tice	2300	920	250	200	650	4320
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7	3000	1200	250	200	650	5300																																																										
Appren tice	2300	920	250	200	650	4320																																																										
C: If there are different legal minimum grades, are all workers graded correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If No, please give details:																																																															
D: What deductions are required by	Deduction for unauthorised absent																																																															

law e.g. social insurance? Please state all types:			
E: Have all of these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes	If Yes , Please list all deductions that have been made:	
	<input type="checkbox"/> No	If No , please give details on any deductions which have not been made:	
F: Industry norm for this region: <i>(please include time period e.g. hour/week/month)</i>	Same as specified by local labour law		

Wages table (Click here to return to Key information)			
Worker Type	Process Operator <i>(Lowest paid)</i>	Process Operator <i>(Average paid)</i>	Process Operator <i>(Highest paid)</i>
<i>Select from individual worker records one worker from, lowest, average and highest wages and populate the boxes. Ensure comparison is made for same pay period and only uses full-time workers. See SMETA Best Practice Guidance and Measurement Criteria for completing this:</i>			
A: Pay period: <i>(State month selected)</i>	March 2017	March 2017	March 2017
B: Anonymous Employee Reference/Dept.	Card # 12486/ Finishing	Card # 12281/ Sewing	Card # 6327/ Sewing
C: Employee Gender	Male	Female	Female
D: Contracted/Standard working hours: <i>(excluding OT – please include time period e.g. hour/week/month)</i>	48 Hrs per week	48 Hrs per week	48 Hrs per week
E: Contracted /Standard work pay rate: <i>(excluding OT – please include time period e.g. hour/week/month)</i>	Tk.5,300/month	Tk. 6,443/month	Tk. 8,299/month
F: Standard day overtime – hours: <i>(please include time period e.g. hour/week/month)</i>	Maximum 2 hrs in a day	Maximum 2 hrs in a day	Maximum 2 hrs in a day
G: Standard day overtime – wage: <i>(please include time period e.g. hour/week/month)</i>	Tk. 28.85 /hour	Tk. 36.69 /hour	Tk. 49.44 /hour

H: Rest day overtime – hours: <i>(please include time period e.g. hour/week/month)</i>	Not Applicable	Not Applicable	Not Applicable
I: Rest day overtime – wage: <i>(please include time period e.g. hour/week/month)</i>	Not Applicable	Not Applicable	Not Applicable
J: Statutory Holiday overtime – hours: <i>(please include time period e.g. hour/week/month)</i>	Not Applicable	Not Applicable	Not Applicable
K: Statutory holiday OT – wages: <i>(please include time period e.g. hour/week/month)</i>	Not Applicable	Not Applicable	Not Applicable
L: Total overtime hours: <i>(please include time period e.g. hour/week/month)</i>	40 hrs in March 2017	46 hrs in March 2017	45 hrs in March 2017
M: Incentives/Bonus/ Allowances etc.: <i>(please include time period e.g. hour/week/month)</i>	Attendance bonus TK.300	Attendance bonus TK.500	Attendance bonus TK.550
N: Gross wages: <i>(please include time period e.g. hour/week/month)</i>	Tk. 6,754/ Month	Tk. 8,631/ Month	Tk. 11,074 / Month
O: Social insurance and other deductions; please list which and amount.	Revenue Stamp: 10/-	Revenue Stamp: 10/-	Revenue Stamp: 10/-
P: Actual wage paid after deduction: <i>(please include time period e.g. hour/week/month)</i>	Tk. 6,744/ Month	Tk. 8,621/ Month	Tk. 11,064/ Month
Comments: <i>(Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)</i>			
Q: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered Yes please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time period:		
R: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

<p>S: Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: All workers are being promoted and increment is being provided based on workers performance</p>
<p>T: How are workers paid:</p>	<p><input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:</p>

6: Working Hours are not Excessive

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

ETI

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

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

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

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

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

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

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

Current Systems and Evidence Examined

To complete ‘current systems’ 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:

Company has defined policy on working hours and communicated to the workers through awareness program. Company policy conform the both local laws and industry standards in terms of working hours. The policy has clearly defined that the overtime work is completely voluntary and any worker can leave the premises after regular working hours without prior permission.

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

Local law allows 48 hours regular work in a week and maximum 12 hours over time weekly. It was verified through Worker Interview and Document review (Payroll and Working hour Testing)
 Company is providing one day off after every six consecutive days. The company’s regular weekend is Friday. No holiday or rest day work found during the verification of documents.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

It was noted through document review and seven workers (packing section) interview that they were not received one day rest within seven working days in the month of April, 2017

Local law and/or ETI requirement:

In accordance with **ETI base code and Bangladesh Labour Law, 2006, Section-103,**

Recommended corrective action:

Facility shall ensure one day rest every seven working days for all workers.

(Recommended Completion Timescale: 30 Days)

Objective evidence observed:

(where relevant please add photo numbers)

Worker Interview and Document Review

Observation:

Description of observation:

None Observed

Local law or ETI requirement:

Not Applicable

Comments:

Not Applicable

Objective evidence observed:

Not Applicable

Good Examples observed:

Description of Good Example (GE):

None

Objective Evidence Observed:

Not Applicable

Working hours analysis

Please include time period e.g. hour/week/month

[\(Go back to Key information\)](#)

Systems & Processes

A. What timekeeping systems are used: time card etc.

Describe: Attendance and work timings (including OT) record was maintained by punch card time recording system.

B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months and type – should be current, peak and random/low: See SMETA Best Practice Guidance and Measurement Criteria)</i>	62 workers (62 payroll records was reviewed from April 2016, October 2016 and March 2017)		
C: Do ALL workers have contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>If NO, state which type of workers do NOT have contracts/employment agreements:</i>	
D: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>If NO, please state which type of workers do NOT have standard hours defined in contracts/employment agreements.</i>	
E: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>If YES, Please complete as appropriate:</i> <input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other If "Other", Please define:	
Standard/Contracted Hours worked			
F: Do standard/contracted standard hours ever exceed the law or 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>If YES give details and comparison (local law/48 hrs week)</i>	
G: What are the actual standard/contracted hours worked in sample (State per week/month)	Highest hours:	48 hours / Week	
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>If YES, Please give details</i>	
Overtime Hours			
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	12 / Week	
	Lowest OT hours:	04 / Week	

J: Range of overtime hours over all workers/or as large a sample as possible. (State per week/month and details)	_08_ to _48_ in _ April 2016_(month) _06_ to _46_ in _ October 2016_(month) _20_ to _52_ in _ March 2017_(month)	
K: Approximate percentage of workers on highest overtime hours	_04_ %	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:
Overtime Premiums		
M: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Please give details of normal day overtime premium as a % of standard wages:
	<input type="checkbox"/> 0% <input type="checkbox"/> 1 – 115% <input type="checkbox"/> 116 – 124% <input type="checkbox"/> 125 – 149% <input type="checkbox"/> 150 – 199% <input checked="" type="checkbox"/> 200%+	
	Any other comments:	
N: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	<input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other	Please explain any checked boxes in N above e.g. detail of consolidated pay CBA or Other.
	N/A	
Rest Days		
O: Are workers provided with 1 day off in every 7–day–period, or 2 in 14–day–period (where the law allows)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Maximum number of days worked without a day off (in sample):
	6 days	
Total Hours		
P: Range of total hours: (Quote highest and lowest please include time period e.g. hour/week/month)	Highest total hours	48 hours / Week
	Lowest total hours	24 hours / Week

<p>R: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons
	<p>Please explain any checked boxes in R above</p>
	<p>Not Applicable</p>
<p>Comments: <i>(please state here any specific reasons/circumstances that explain the highest working hours)</i></p>	
<p><i>Please add details of examples where the site has demonstrated "exceptional circumstances".</i></p> <p><i>Please give details of any appropriate safeguards in place at the time of the 60+ hours working.</i></p> <p><i>Any other comments:</i></p>	

7: No Discrimination is Practiced

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

ETI

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

Current Systems and Evidence Examined

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

Current systems:

They have defined a policy of non-discrimination in hiring, compensation, promotion, termination, access to training, increment based on race, caste, national origin, religion, age, gender, gender, marital status, sexual orientation or membership in any union or political affiliation.

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

This policy is well communicated through the notice board.

Company has system in place to complaint against any discriminatory behaviour in confidential manner and have the system to handle the grievances if occurred. During the worker interview no such comments raised related to discrimination.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law
None Observed

Local law and/or ETI requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not Applicable

Observation:	
Description of observation: None Observed Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): None	Objective Evidence Observed: Not Applicable

8: Regular Employment Is Provided

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

ETI

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

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

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:

Company is employing workers as permanent basis. No contractual workers employed in the company. Company is providing appointment letter as the job contract and keeping the duplicate copy of that appointment letter in the personal file.

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

It was noted through facility tour, worker interview and management interview that all sample 62 workers having the appointment letter, ID card in their personal file.

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law
 None Observed

Local law and/or ETI requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not Applicable

Observation:	
Description of observation: None Observed Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): None	Objective Evidence Observed: Not Applicable

8A: Sub-Contracting and Homeworking

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

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

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

Note to auditor on homeworking:

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

Current Systems and Evidence Examined

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

Current systems:

No home working and sub-contracting is in practice.

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

Company is not using any sub contractors.

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

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

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

<i>Process Subcontracted</i>	<i>Process 5</i>	<i>Process 6</i>
<i>Name of factory</i>		
<i>Address</i>		

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

Observation:	
Description of observation: None Observed	Objective evidence observed:
Local law or ETI/Additional elements requirement: Not Applicable	Not Applicable
Comments: Not Applicable	

Good Examples observed:	
Description of Good Example (GE): None	Objective Evidence Observed: Not Applicable

Summary of sub-contracting – if applicable	
A: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , summarise details:
B: Number of sub-contractors/agents used	No Sub-contractors used by the management for any of its core process
C: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details: Not Applicable
D: What checks are in place to ensure no child labour is being used and work is safe?	Not Applicable
E: What processes are sub-contracted?	Not Applicable

Summary of homeworking – if applicable			
F: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , summarise details:		
G: Number of homeworkers	Male: N/A	Female: N/A	Total: N/A
H: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents N/A		
I: If through agents, number of agents	Not Applicable		
J: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
K: How does site ensure worker hours and pay meet local laws for homeworkers?	Not Applicable		
L: What processes are carried out by homeworkers?	Not Applicable		
M: Are written agreements in place for homeworkers that include regular employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
N: Are full records available at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

9: No Harsh or Inhumane Treatment is Allowed

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

ETI

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

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:

Company has policy against harassment and abuse what clearly described that none is allowed to physical abuse, sexual or any other harassment or verbal abuse to any other employees.

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

Company has system in place to complaint confidentially against any harassment or abuse without any threats of retaliatory action.

Company is providing awareness on regular basis on the company policy of harassment and abuse

Non-compliance:

1. Description of non-compliance:

NC against ETI NC against Local Law

None Observed

Local law and/or ETI requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not Applicable

Observation:	
Description of observation: None Observed Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): None	Objective Evidence Observed: Not Applicable

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

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

Additional Elements

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

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:

Facility management has not employed any immigrants / foreign nationals / overseas students. No agencies or labour providers engaged by the management to provide temporary labour.

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

Not applicable

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law
None Observed

Local law and/or ETI /Additional Elements requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not Applicable

Observation:	
Description of observation: None Observed Local law or ETI/Additional Elements requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good examples observed:	
Description of Good Example (GE): None	Objective Evidence Observed: Not Applicable

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

This is a woven garments manufacturing factory. They have environment management policy.

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

They have assigned Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance) to communicate with their suppliers for environmental issues.

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Local law and/or ETI/Additional Elements requirement:

Not applicable

Not Applicable

Recommended corrective action:

Not applicable

Observation:

Description of observation:

None Observed

Objective evidence observed:

Local law or ETI/additional elements requirement:

Not Applicable

Not Applicable

Comments:

Not Applicable

Good examples observed:	
Description of Good Example (GE): None	Objective Evidence Observed: Not Applicable

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

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

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

B.4. Compliance Requirements

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

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

10B4.3. The supplier shall be aware of their end client’s environmental standards/code requirements and have a system in place to monitor their performance against these.

B4. Guidance for Observations

10B4.4. Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.5. Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.6. Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.7. The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

10B4.8. Suppliers shall seek to make continuous improvements in their environmental performance.

10B4.9. Suppliers shall have available for review any environmental certifications or any environmental management systems documentation

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

10B.4.11. 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:

Not Applicable

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

Not Applicable

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

Observation:	
<p>Description of observation: None Observed</p> <p>Local law or ETI/Additional elements requirements: Not Applicable</p> <p>Comments: Not Applicable</p>	<p>Objective evidence observed:</p> <p>Not Applicable</p>

Good examples observed:	
<p>Description of Good Example (GE):</p> <p>None</p>	<p>Objective Evidence Observed:</p> <p>Not Applicable</p>

Environmental Analysis		
<i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>		
A; Responsible for Environmental issues (Name and Position):	Declaration not provided by the site	
B: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:	
C: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
E: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:	
F: Have all legally required permits been shown? Please detail.	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:	
G: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Details:	
H: Is there a system for managing client’s requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:	
Usage/Discharge analysis		
Criteria	Current year: Please state period:	Previous Year: Please state period:
Electricity Usage: <i>Kw/hrs</i>		
Renewable Energy Usage: <i>Kw/hrs</i>		
Gas Usage: <i>Kw/hrs</i>		
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes , please state result		
Water Sources:	•	•

<i>Please list all sources e.g. lake, river, and local water authority.</i>	•	•
Water Volume Used: (m ³)		
Water Discharged: <i>Please list all receiving waters/recipients.</i>	• •	• •
Water Volume Discharged: (m ³)		
Water Volume Recycled: (m ³)		
Total waste Produced <i>(please state units)</i>		
Total hazardous waste Produced: <i>(please state units)</i>		
Waste to Recycling: <i>(please state units)</i>		
Waste to Landfill: <i>(please state units)</i>		
Total Product Produced <i>(please state units)</i>		

10C: Business Ethics – 4-Pillar Audit

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

To be completed for a 4-Pillar SMETA Audit

10C. Guidance for “Observations”

- 10C.1. Suppliers should have completed the appropriate section of the SAQ and have made it available to the auditor.
- 10C.2. The supplier should have received and acknowledged– preferably in writing – the Business Ethics policy of the auditor/audit company.
- 10C.3. Suppliers shall seek to conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10C.4. Suppliers shall be aware of any applicable laws, their end client’s Business Ethics standards/code requirements and have a system in place to monitor their performance against these.
- 10C.5. Supplier should have a Business Ethics policy concerning bribery, corruption, or unethical Business Practice. This should be clearly communicated to all relevant parties.
- 10C.6. Suppliers should have a designated person responsible for implementing standards concerning Business Ethics
- 10C.7. Suppliers should have a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter
- 10C.8. 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.

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 and the main requirement is to gather information on the relevant Business Ethics issues in a supply chain. All findings will be recorded as observations not Non- Compliances and the data collected will allow the membership to define appropriate standards over time as part of a continuous review process.

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:

Not Applicable

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

Not Applicable

Observation	
Description of observation: None Observed Local law or ETI/Additional elements requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good examples observed:	
Description of Good Example (GE): None	Objective Evidence Observed: Not Applicable

Worker Interview Summary

Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	8 Group of 5 each
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 07 Female: 15
E: Total number of interviewed workers <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 22 Female: 40
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No complaint raised by the worker in the interview process
I: What did the workers like the most about working at this site?	In time salary Good behaviour of supervisors Flexible Leave policy Good and Clean working environment
J: Any additional comment(s) regarding interviews:	During the interview it was noted that the workers of the factory are happy to the management. They have a good communication between workers and management through workers participation committee
K: Attitude of workers to hours worked:	Attitude of workers were positive


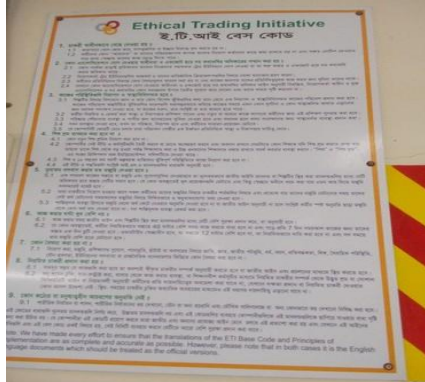




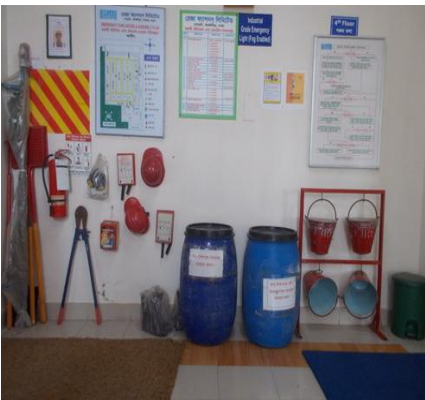


Agency Workers (if applicable) <i>(workers sourced from a local agent who are not directly paid by the site)</i>	
A: Number of agencies used (average):	Not Applicable And names if available:
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

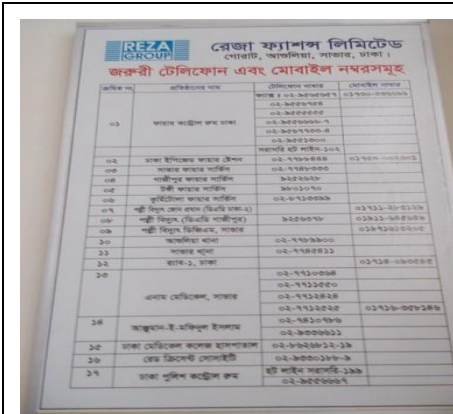
Other findings

Other Findings Outside the Scope of the Code
None

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

Photo Form

		
<p>External View</p>	<p>ETI Base Code</p>	<p>Fire Extinguisher</p>
		
<p>Fire Alarm Switch</p>	<p>Fire Hose Pipe</p>	<p>Fire Hayden Pump</p>
		
<p>Fire Fighting Equipment</p>	<p>Exit Sign</p>	<p>Emergency Evacuation Plan</p>



ক্রমিক নং	সংক্রান্ত নাম	টেলিফোন নম্বর	মোবাইল নম্বর
০১	সাধারণ কার্যালয়	০২-৭৭৩০০০০	০১৭-১১১১১১১
০২	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
০৩	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
০৪	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
০৫	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
০৬	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
০৭	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
০৮	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
০৯	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
১০	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
১১	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
১২	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
১৩	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
১৪	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
১৫	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
১৬	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
১৭	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
১৮	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
১৯	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
২০	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
২১	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
২২	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
২৩	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
২৪	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
২৫	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
২৬	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
২৭	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
২৮	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
২৯	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১
৩০	কাজে ইনচার্জ কর্মকর্তার স্টেশন	০২-৭৭৩০০০০	০১৭-১১১১১১১

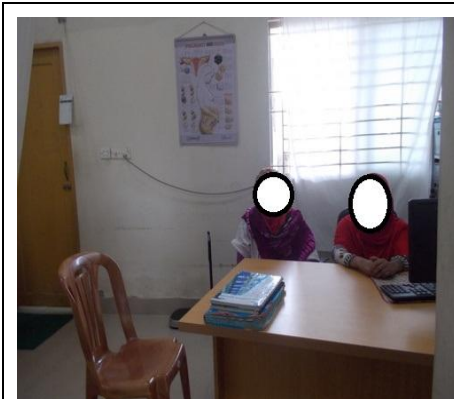
Emergency Telephone Number



Fire Fighter



First Aid Box



Medical Room



Child Care Facility



Canteen



Dining Area



Drinking Water



Accessories Store



Cutting Section



Sewing Section



Pressing Section



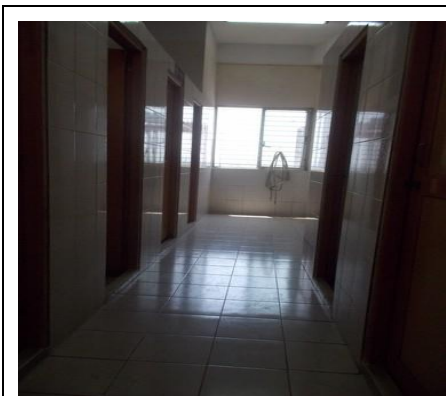
Risk Assessment of Cutting Section



Fabrics Store



Rooftop



Worker's Toilet



Electric Boiler



Generator

		<p>N/A</p>
<p>NC Photo No-01 Fire Extinguisher Blocked by Table at Dining Area</p>	<p>NC Photo No-02 Fire Hose Pipe Blocked by Table at Dining Area</p>	<p>N/A</p>

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

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

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

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

[Click here for B members:](#)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRqIY_2brq_3d_3d



For more information on Sedex please go to www.sedexglobal.com
or email auditing@sedexglobal.com

SMETA Corrective Action Plan Report (CAPR)

Version 5.0 Dec 2014, 2/4 Pillar Audit; replaces version 4.0 May 2012

Supplier name:	Reza Fashions Ltd.	
Site country:	Bangladesh	
Site name:	Reza Fashions Ltd.	
Parent Company name (of the site):	Reza Fashions Ltd.	
SMETA Audit Type:	<input checked="" type="checkbox"/> 2-Pillar	<input type="checkbox"/> 4-Pillar
Date of Audit	13 April, 2017	

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 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:
Please check appropriate SMETA Audit Type in the above box:

2-Pillar SMETA Audit

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

4-Pillar SMETA Audit

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics

The new ETI Working Hours Clause

- Now integrated into this latest SMETA version.

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





Audit Company Name: Global Sustainable Certification Services Ltd.	Report Owner (payee): <i>(If paid for by the customer of the site, please remove for Sedex upload)</i> Reza Fashions Ltd.
<i>Sedex Company Reference:</i> <i>(only available on Sedex System)</i>	ZC1000979
<i>Sedex Site Reference:</i> <i>(only available on Sedex System)</i>	ZS1016066

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

<i>Auditor Reference Number:</i> <i>(If applicable)</i>	GSCS 15
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Audit Details

Audit Details			
A: Report #:	GSCS-BD-2017-0413		
B: Time in and time out <i>(SMETA BPG recommends 9.00-17.00 hrs. if any different please state why in the SMETA declaration)</i>	Day 1 Time in: 09:00 Day 1 Time out: 17:30	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
C: Number of Auditor Days Used: <i>(number of auditor x number of days)</i>	Four auditors in one day		
D: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other - Define		
E: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: Two weeks <input type="checkbox"/> Unannounced		
F: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If No , why not? <i>(Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)</i>	Factory management has completed the SAQ		
G; Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
H: Auditor name(s) and role(s):	Md. Kamal Hossain (Lead Auditor), Md. Hasan (Auditor), Ms. Shahria Hasan Shuchi (Auditor) and Md. Rahmat Sikder (Auditor)		
I: Report written by:	Md. Kamal Hossain (Lead Auditor)		
J: Report reviewed by:	Md. Abdul Mottaleb (Reviewer)		
K: Report issue date:	20 April, 2017		
L: Supplier name:	Reza Fashions Ltd.		
M: Site name:	Reza Fashions Ltd.		
N: Site country:	Bangladesh		
O: Site contact and job title:	Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance)		
P: Site address: <i>(Please include full address)</i>	Gorat, Ashulia, Savar, Dhaka-1341, Bangladesh		

Site phone:	+ 88-02-9663654		
Site fax:	+ 88-02-9662283		
Site e-mail:	monirislam@rezagroup-bd.com		
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	Factory License: 14426/Dhaka, Trade License: 126/2016, Certificate of Incorporation: C-77112/09, EPB: BD05175, TIN: 878434684872, Group Insurance: BGA/insu/2016/16728, Fire License: DD/Dhaka/22040/10, ERC: RA-0095883, IRC: BA-0197716, Bond License: 1333/CUS-SBW/2011, BGMEA Membership: 4965, Boiler License: 4629-31, 2289-2292, BERC: LWC-1055/1056		
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Product: Woven Garments Process: Cutting, Sewing and Finishing		
S: Audit results reviewed with site management?	Yes		
T: Who signed and agreed CAPR (<i>Name and job title</i>)	Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance)		
U: Did the person who signed the CAPR have authority to implement changes?	Yes		
V: Present at closing meeting (Please state name and position, including any workers/union reps/worker reps):	<p><u>Global Sustainable Certification Services Ltd. (Auditor)</u> Md. Kamal Hossain (Lead Auditor). Md. Hasan (Auditor) Ms. Shahria Hasan Shuchi (Auditor) Md. Rahmat Sikder (Auditor)</p> <p><u>Facility Management Representative.</u> Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance). Md. Abdul Bari-Officer/ Compliance. Mr. Lokman Hossain Khan-Executive / Accounts. Md. Shahadad Hossain- Officer / Admin. Md. Tara Mia-Electrical Engineer. Ms. Amina Khatun-Welfare Officer.</p> <p><u>Worker Representative.</u> Ms. Moni Rani (Worker Representative)</p>		
W: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee (Worker Participation Committee) <input type="checkbox"/> Other (specify) <input type="checkbox"/> None		
X: Are any workers covered by Collective Bargaining Agreement (CBA)	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Y: Previous audit date:	12 April, 2016		
Z: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar
			Other

	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	*If other, please define:			

Guidance:

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances.

N.B. observations and good practice examples should be pointed out at the closing meeting as well as discussing non-compliances and corrective actions.

To ensure that good practice examples are highlighted to the supplier and to give a more ‘balanced’ audit a section to record these has been provided on the CAPR document (see following pages) which will remain with the supplier. They will be further confirmed on receipt of the audit report.

Root cause (see column 4)

Note: it is not mandatory to complete this column at this time.

Root cause refers to the specific procedure or lack of procedure which caused the issue to arise. Before a corrective action can sustainably rectify the situation it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

See SMETA BPG Chapter 7 ‘Audit Execution’ for more explanation of “root cause”.

Next Steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, non-compliances, observations and good examples. If you have not already received instructions on how to do this then please visit the web site www.sedexglobal.com.
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit www.sedexglobal.com web site for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via Sedex or by Follow-up Audit (see point 5).

5. Some non-compliances that cannot be closed off by “Desk-Top” review may need to be closed off via a “1 Day Follow Up Audit” charged at normal fee rates. If this is the case then the site will be notified after its submission of documentary evidence relating to that non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client)

Corrective Action Plan

Corrective Action Plan – non-compliances									
Non-Compliance Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Non-Compliance <i>Details of Non-Compliance</i>	Root cause <i>(completed by the site)</i>	Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i>	Timescale <i>(Immediate, 30, 60, 90, 180, 365)</i>	Verification Method <i>Desktop / Follow-Up [D/F]</i>	Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i>	Verification Evidence and Comments <i>Details on corrective action evidence</i>	Status <i>Open/Closed or comment</i>
0 Management systems and code implementation	New	In accordance with Bangladesh Labor rules-2015, section-355 , It was noted through management interview & legal document review that Factory license found 'I' category instead of 'J' category as per existing workforce.	Lack of Management Practices	It is recommended that management shall keep all legal license approvals and certificate appropriate and up to date.	90 days	Desktop	Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance)		Open
2 Freedom of Association	New	In accordance with ETI Base Code and Bangladesh Labour Rules-2015: Section 183 , It was noted through workers interview and document review that PC committee consists of 22 members instead of 18 members.	Lack of Management practice.	Facility management shall ensure form of pc committee as per guide line of local law.	90 days	Desktop	Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance)		Open

3 Safety and Hygienic Conditions	New	<p>In accordance with ETI base code and Bangladesh Labor Rules 2015, Section – 55,</p> <p>It was noted through floor tour that fire extinguisher and fire hose reel found block by table at dining area.</p>	Lack of management practice.	The factory shall ensure all types of fire equipment are free from any kind of blockage.	30 days	Desktop	Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance)		Open
6: Working Hours are not Excessive	New	<p>In accordance with ETI base code and Bangladesh Labour Law, 2006, Section-103,</p> <p>It was noted through document review and seven workers (packing section) interview that they were not received one day rest within seven working days in the month of April, 2017</p>	Lack of management practices	Facility shall ensure one day rest every seven working days for all workers.	30 days	Desktop	Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance)		Open

Corrective Action Plan – Observations				
Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Observation <i>Details of Observation</i>	Root cause <i>(completed by the site)</i>	Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i>
		No Observation		



Good examples		
Good example Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
5: Living Wages are Paid No-01	Factory Provided Attendance Bonus	Payroll record review and Worker & Management Interview

Confirmation

<p>Please sign this document confirming that the above findings have been discussed with and understood by you: (site management) <i>If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.</i></p>		
<p>A: Site Representative Signature:</p>		<p><i>Title: Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance)</i></p> <p><i>Date : 13 April, 2017</i></p>
<p>B: Auditor Signature:</p>		<p><i>Title : Lead Auditor / Auditor</i></p> <p><i>Date : 13 April, 2017</i></p>
<p>C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.</p>		
<p>D: I dispute the following numbered non-compliances:</p>		
<p>E: Signed: <i>(If any entry in box D, please complete a signature on this line)</i></p>		<p>Title</p> <p>Date</p>
<p>F: Any other site Comments:</p>		

Confirmation

Please sign this document confirming that the above findings have been discussed with and understood by you: (site management)
If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.

A: Site Representative Signature:	 	Title: Wing Commander, Md. Monirul Islam, psc (Retd)- (Head of Admin, HR & Compliance) Date : 13 April, 2017
-----------------------------------	--	---

B: Auditor Signature:	 	Title : Lead Auditor / Auditor Date : 13 April, 2017
-----------------------	--	---

C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.

D: I dispute the following numbered non-compliances:

E: Signed: (If any entry in box D, please complete a signature on this line)		Title Date
---	--	-------------------

F: Any other site Comments:

Guidance on Root Cause

Explanation of the Root Cause Column

If a non-compliance is to be rectified by a corrective action which will also prevent the non-compliance re-occurring, it is necessary to consider whether a system change is required.

Understanding the root cause of the non-compliance is essential if a site is to prevent the issue re-occurring.

The root cause refers to the specific activity/ procedure or lack of activity /procedure which caused the non-compliance to arise. Before a corrective action can rectify the situation it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

Since this is a new addition, it is not a mandatory requirement to complete this column at this time. We hope to encourage auditors and sites to think about Root Causes and where they are able to agree, this column may be used to describe their discussion.

Some examples of finding a “root cause“

Example 1

Where excessive hours have been noted the real reason for these needs to be understood, whether due to production planning, bottle necks in the operation, insufficient training of operators, delays in receiving trims, etc.

Example 2

A non-compliance may be found where workers are not using PPE that has been provided to them. This could be the result of insufficient training for workers to understand the need for its use; a lack of follow-up by supervisors aligned to a proper set of factory rules or the fact that workers feel their productivity (and thus potential earnings) is affected by use of items such as metal gloves.

Example 3

A site uses fines to control unacceptable behaviour of workers.

International standards (and often local laws) may require that workers should not be fined for disciplinary reasons.

It may be difficult to stop fines immediately as the site rules may have been in place for some time, but to prevent the non-compliance re-occurring it will be necessary to make a system change.

The symptom is fines, but the root cause is a management system which may break the law. To prevent the problem re-occurring it will be necessary to make a system change for example the site could consider a system which rewards for good behaviour

Only by understanding the underlying cause can effective corrective actions be taken to ensure continuous compliance.

The site is encouraged to complete this section so as to indicate their understanding of the issues raised and the actions to be taken.

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

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

Click here for A & AB members:

http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d

Click here for B members:

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d



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