

Sedex Members Ethical Trade Audit (SMETA) Report

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

Supplier name:	Keya Knit Composite Ltd.	
Site country:	Bangladesh	
Site name:	Keya Knit Composite Ltd.	
SMETA Audit Type:	<input checked="" type="checkbox"/> 2-Pillar	<input type="checkbox"/> 4-Pillar

Audit Content:

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

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

Please check appropriate SMETA Audit Type in the above box:

2-Pillar SMETA Audit

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

4-Pillar SMETA Audit

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

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





Audit Company Name: ALGI Bangladesh	Report Owner (payee): Keya Knit Composite Ltd. <i>(If paid for by the customer of the site, please remove for Sedex upload)</i>
Sedex Company Reference: <i>(only available on Sedex System):</i>	S-Not Provided
Sedex Site Reference: <i>(only available on Sedex System)</i>	P-Not Provided

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>	Not applicable
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SMETA Declaration

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

Any exceptions to this must be recorded here (e.g. different sample size): None

Auditor Name(s) (please list all including all interviewers): M.A.R. Shaon (Lead auditor), Jahangir Alam, Mohammad Shanjid Rahman Shaheen and Md Ataur Rahman (Auditors)

Role: Lead auditor & Auditors

Date: 20th March, 2014

Audit Details

Audit Details	
A: Report #:	15386
B: Date of audit:	20 th March, 2014
C: Time in and time out:	Time in: 20 th March, 2014 -10.00 Time out: 20 th March, 2014 -19:00
D: Number of Auditor Days Used: <i>(number of auditor x number of days)</i>	Four auditors in one day.
E: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up Audit <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define
F: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced (One Month Window Period) <input type="checkbox"/> Unannounced
G: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no, why not?	N/A
I: Auditor name(s) and role(s):	M.A.R. Shaon (Lead auditor), Jahangir Alam, Mohammad Shanjid Rahman Shaheen & Md. Ataur Rahman
J: Report written by:	M.A.R. Shaon
K: Report reviewed by:	ATM Anisuzzaman
L: Report issue date:	25 th March, 2014
M: Supplier name:	Keya Knit Composite Ltd.
N: Site name:	Keya Knit Composite Ltd.
O: Site country:	Bangladesh
P: Site contact and job title:	Md. Mahmud Hossen, Sr. Manager(Compliance)
Q: Site address:	Jarun, Konabari, Gazipur Sadar, Gazipur, Bangladesh.
Site phone:	+880 (2) 9297779
Site fax:	+880 (2) 9297778

Site e-mail:	<u>mahmud.comp@keya-bd.com</u>		
R: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	Factory License: 13030/Gazipur, Valid till December 31, 2014 Fire License: Dhaka/19630/06, Valid till June 30, Trade License: 00109, Valid till June 30, 2014 Environment License: ENV/Dhabi/Gazi/9138/Renew-270, Valid till July 07, 2014 Acid License: 11/2011-12, Valid till July 30, 2014		
S: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Knit Garments		
T: Audit results reviewed with site management?	Yes		
U: Who signed and agreed CAPR (Name and job title)	Md. Mahmud Hossen, Sr. Manager(Compliance)		
V: Did the person who signed the CAPR have authority to implement changes?	Yes		
W: Previous audit date:	01-04.12. 2012		
X: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar
	Full Initial	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input type="checkbox"/>	<input type="checkbox"/>
	Full Follow-Up Audit	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Follow-Up	<input type="checkbox"/>	<input type="checkbox"/>
	Partial Other*	<input type="checkbox"/>	<input type="checkbox"/>
	*If other, please define:		

Audit Scope

Local Law (Please state legal requirement)	
A: Standard work week: <i>(total hours excluding overtime)</i>	08 hours per day and 48 hours per week.
B: Maximum allowed overtime hours: <i>(please state per day, week, month)</i>	Not exceed 2 hours per day and 12 hours per week.
C: Minimum work age:	18 years
D: Minimum legal wage for standard hours: <i>(please state per day, week, month)</i>	Minimum wage standard as per government new gazette published on December 2013 was set at BDT 5300 per month or BDT 25.48 (5300/208) per hour since 1 st December 2013.
E: Minimum legal overtime wage: <i>(please state per day, week, month)</i>	The employing unit shall, according to the Government new Gazette for minimum wage published on December 2013, pay workers remuneration higher than those for normal working hours. OT wage per hour is equal to: Basic Salary X 2 X O. T. Hours / 208 Minimum wage for Helper (Grade-7) is equal to BDT 5300. Therefore minimum OT wage for Grade-7 is equal to BDT 28.84 (3000/208*2)

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

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

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

Non-Compliance Table

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

Audit Overview

Audit Overview			
	Management	Worker Representatives	
Audit attendance	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives not present please explain reasons why	N/A		
E: If Union Representatives not present please explain reasons why:	No union has been formed by the workers of the factory. As per the documents the workers are free to form union but workers did not do so.		
F: Site description: (Include size, location and age of site. Also include structure and number of buildings)	<p>Keya Knit Composite Ltd. is located at Jarun, Konabari, Gazipur Sadar, Gazipur, Bangladesh. Total land area occupied by the whole facility is about 9,36,000 square feet where production areas are about 5,48,218 square feet and warehouse areas are 2,30,000 square feet. They started their operation at the existing location on 22 July 2003.</p> <p><u>The facility consists of two Sheds :</u></p> <p><u>Shed- 01:</u></p> <p>The shed is occupied by knitting section, dyeing section, cutting section, sewing section and finishing section.</p> <p><u>Shed- 02:</u></p> <p>The shed is occupied by boiler, generator, medical room, child care room, workers dining area, finished goods store, chemical store and organic yarn store.</p> <p>Garments division runs in one general shift and knitting & dyeing section runs in three individual shifts.</p> <p>General shift (Garments division) starts from 8:00 am and ends at 5:00 pm (Lunch break from 1:00 pm to 2:00 pm, and overtime hours 5:00 pm to 7:00 pm).</p> <p>Shift: A (Knitting & dyeing section) starts from 6:00 am and ends at 2:00 pm (One hour rest break from 11:00 am to 12:00 pm),</p> <p>Shift: B (Knitting & dyeing section) starts from 2:00 pm and ends at</p>		

	<p>10:00 pm (One hour rest break from 6:00 pm to 7:00 pm) and</p> <p>Shift: C (Knitting & dyeing section) starts from 10:00 pm and ends at 06:00 am (One hour rest break from 2:00 am to 3:00 am)</p> <p>Wages are calculated on monthly basis. The peak seasons stands same round the year.</p> <p>Additional Notes:</p> <table border="1"> <tr> <td>Structural Design Approved by</td><td>Local Government & Engineering Department</td></tr> <tr> <td>Structural Design Drawn By</td><td>Civil Engineer, MIEB Member</td></tr> <tr> <td>Building Approved as</td><td>Industrial</td></tr> <tr> <td>Layout plan of the factory Approved by</td><td>Factory & Establishment Dept.</td></tr> <tr> <td>Total area of the factory</td><td>9, 36,000 Sq. Ft.</td></tr> <tr> <td>Area covered by Fire license</td><td>All sheds are covered by fire license.</td></tr> <tr> <td>Number of Stair Case and Width of the stair case</td><td>Shed 01: 12 exits- 09 Feet 06 inch ea Shed 02- 12 exits- 06 Feet 06 inch ea</td></tr> </table> <p>Good Practice</p> <p>Physically disable people are employed in this facility.</p>	Structural Design Approved by	Local Government & Engineering Department	Structural Design Drawn By	Civil Engineer, MIEB Member	Building Approved as	Industrial	Layout plan of the factory Approved by	Factory & Establishment Dept.	Total area of the factory	9, 36,000 Sq. Ft.	Area covered by Fire license	All sheds are covered by fire license.	Number of Stair Case and Width of the stair case	Shed 01: 12 exits- 09 Feet 06 inch ea Shed 02- 12 exits- 06 Feet 06 inch ea
Structural Design Approved by	Local Government & Engineering Department														
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Number of Stair Case and Width of the stair case	Shed 01: 12 exits- 09 Feet 06 inch ea Shed 02- 12 exits- 06 Feet 06 inch ea														
<p>G: Site function:</p>	<p> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Home worker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor </p>														
<p>H: Month(s) of peak season: (if applicable)</p>	<p>Same round the year.</p>														
<p>I: Typical production level as a % of the total capacity by month (record below): <i>Site declaration only – this has not been verified by auditor.</i></p>															

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
100	100	100	100	100	100	100	100	100	100	100	100

J: Process overview:

(Include products being produced, main operations, number of production lines, main equipment used)

Main product of the factory covers knit item. The facility production capacity is 7,00,000 pieces per month.

Main production processes are knitting, dyeing, cutting, sewing, finishing and packing.

Main machine list of the factory is as follows:

Machine list of Keya Knit Composite Ltd.

Machine list	Quantity
S/J lacost, pique, drop needle and strip fabrics	299
Flat knit normal design collar & cuff	14
Vertical winch	33
Sample winch	08
Squeezer	09
Dryer	07
Tube-tex	09
Stenter (Slitting)	01
Slitting	01
Boiler	06
Lab machine	05
Light box	04
PH meter	04
Crock master	02
Wast fastness	01
Washing	02
Tumbler Dryer	02
Data color	04
Woven	04
True Brust	01
Random tumble	02
Therma plate	01
Perspirometer	01
Orbitor pilling & snagging tester	01
Pilling assessment viewr	01
WTP-01, WTP-02, WTP-03, WTP-04, WTP-05, WTP-06	06
ETP-01	01
Plain machine	684
Flat lock	291
Flat lock cylinder bed	254
Over lock	1042
Others	974
Total	3670

Main chemical list of the factory is as follows:

ITEM DESCRIPTION	OP. QTY.
ACETIC ACID	1,861.19
ALKAFIX R	21,485.17
BACTOSOL AP /ARL LIQ/BACTOSOL SAP LIQ	5,365.62
CATIONIC SOFTENER FLAKES S-330	14,538.95
CAUSTIC SODA	35,776.56
CHEMDYE A-3508(EGANAL PS LIQUID)	5,000.00
DECOLOURANT OF COLOUR REMOVAL	4,800.00
DEN RAW NBP-(20%)	1,734.34
ESKAY WHITE 4BK	570.74
EURO STABILIZER SIFA	7,030.58
EUROLUBE LF CONC	4,364.86
FARBENZYME BP CONC	9,631.27
FORSOFTERECO CSS FLAKES (SOFTENING AGENT)	-13.82
FORTEX 2UD (SEQUESTERING AGENT)	-30.39
HYDROGEN-PER-OXIDE-35% / 50%	8,736.12
JINDEFAM SF (ANTIFOAMING AGENT)	3,254.93
LAMEGAL TL/5	1,872.64
LUBRISCOUR BD	3,058.03
MATFIX VNFA LIQUID	3,000.00
MATSOFT DAS EMULSION	4,000.00
NEUTRACID NVM 200%	19,697.58
OXINOL A11(34021100-DBC)	18.86
POLYELECTROLYTE	40.00
REWIN ACP-200%	661.47
SANDOPUR SP/RSK LIQ/LANDIPUR SP/LADIPUR R3CN	881.39
SEQUESTANT 2UX (P)	3,993.89
SILICON SOFTENER(CEFASOFT-ME/TUBINGAL SMF)	-58.14
SODA (ASH)	28,579.08
SODIUM CHLORIDE	29,767.00
SODIUM SULPHATE ANHYDROUS	5,11,377.81
SODIUM SULPHIDE-60%	550.00
SOULBIO FC	-63.47
SOULBIO FD	17,552.19
SULPHURIC ACID OF CONCERNTRATION 94-98%	16,800.00
TUBINGAL-SMF	1,042.07
TUBOBLANC HA-PD	2,339.43
INDOSOL BLACK NF-1200	2,256.73

ANAFIX GOLDEN YELLOW ME-RL	725.72
ANAFIX ORANGE HE-2R	5,282.91
ANAFIX RED ME6BL/ HE5B	1,048.42
DRIMAREN BLACK CL-S P	22,425.90
DRIMARENE BLUE CL-2R-L	25.00
DYCHUFIX BLACK BH/C	3,735.60
DYCHUFIX BLACK FWN	0.02
DYCHUFIX GOLDEN YELLOW SGB	2,149.58
DYCHUFIX RED 3B-XF	26,922.65
DYCHUFIX YELLOW 3R-XF	9,114.72
DYRUNIL BLACK ECO 300%	-29.14
DYRUNIL YELLOW C-4G 200%	147.00
NOVACRON SCARLET FN-6G	245.26
NOVACRON YELLOW FN-2R	50.00
REACTIVE RED 2BXF	417.70
REACTIVE TUREQUISE BLUE-G	244.00
REACTOBOND YELLOW 4GL	3,651.16
REMAZOL BLUE R (SP)	4,639.07
REMAZOL BLUE RR GRAN	459.71
REMAZOL RED RR GRAN	160.99
REMAZOL YELLOW RR	458.05
SOLACION ORANGE HERN	1,886.92
SOLACION YELLOW HE-4G	291.41
SULPHUR BLACK BR	25.00
SUMIFIX SUPRA BLUE BRF 150%	2,112.20
SUMIFIX SUPRA BLUE E-XF	2,886.48
SUMIFIX SUPRA RED EXF	0.00
SUMIFIX SUPRA YELLOW EXF	-16.30
SUMIKRON BLUE SE-RPD	25.00
SUMIKRON RED-SE-RPD	25.00
SUMIKRON YELLOW-SE-RPD	25.00
SYNOZOL TURQ BLUE	1,801.28
GRAND TOTAL	8,62,409.01

K: 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.

22 employees were selected for the individual interview and total 40 employees in 8(8*5) groups were selected for the group interviews. All the interviewees were favourable with the management and factory environment and no negative information was raised. As per interview, workers are getting all mandatory benefits like annual leave,

maternity leave, resign benefit.
L: Attitude of managers: (Include attitude to audit, and audit process. Both positive and negative information should be included)
The factory management was found to be cooperative throughout the audit.
M: Summary of main findings: (positive and negative) (This is a summary <u>not</u> a repeat of the section detail)
<p>Audit Process: This periodic audit is conducted by ALGI. Four auditors assessed / verified the factory's operations against the ETI Base Code and local legislations on a sampling basis in one day.</p> <p><u>Overview of opening meeting, factory management responses:</u></p> <p>At 10:00 am, auditors entered the facility and had an opening meeting with the factory management according to the SMETA Guideline and ALGI SOP. The facility management Md. Mahmud Hossen, Sr. Manager (Compliance) along with his team were present in the meeting. They stated that they would be co-operative with this audit.</p> <p>62 attendance records and payroll records from February 2014 (current month), 62 attendance records and payroll records from January 2014 (randomly selected month) and 20 attendance records and payroll records from March 2013 to December 2013 (rest of the months) were reviewed in this audit. 62 workers were interviewed including 27 males and 35 females.</p> <p>Summary of Findings (positive and negative):</p> <p>In view of the findings raised, below non-compliances were found in the areas of Freedom of Association, Safety and Hygienic Conditions, Regular Employment and Environment. For other areas, no violations were noted.</p> <ol style="list-style-type: none"> Members of participation committee were found not familiar with their roles and responsibilities. And committee members are selected by the management instead of election among workers. Bond license of the factory has been expired from 5th March 2014. Note that facility has applied for renewal but yet not got the updated copy. Factory had insufficient capacity of its dining hall, where 30% of total workers could not eat meal at a time. Excessive height of cartoons, fabric rolls and chemical bags were found in finished goods, fabric store and chemical store at shed-2 Several aisles of knitting section, sewing section, dyeing section and finishing sections were found partially blocked by carton, machine, garments and standing workers. Several diesel oil drum and chemical drums were found kept without secondary containment in front of shed-2. Some loose wiring were found in generator room located outside of Shed-2 No physical barrier was found within packing section and spot removing section so can prevent the emission of fumes from spot removing section to packing section. Note that Spot Lifter 830 was using in spot removing section.

<p>9. Service book of workers were found not updated.</p> <p>Best Practices Observed</p> <p>The facility provides attendance bonus, festival bonus and medical facility to all the employees.</p> <p>Additional Auditor Remark:</p> <p>None</p>

Key Information

Key Information		
A: Do all workers (including migrant workers) have contracts of employment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <div style="margin-left: 100px;"> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence </div>	
D: For the lowest paid production worker, are wages paid for standard hours (excluding overtime) below or above the legal minimum?	Wages found: <input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	Please indicate the breakdown of workforce according to earnings: __0__ % of workforce earning under min wage __100__ % of workforce earning min wage ____ % of workforce earning above min wage
E: % of piece rate workers: (if applicable)	N/A	
F: Combined hours (standard and overtime) over 60 per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
G: Are the correct overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
H: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: % of workers living in site provided accommodation (if applicable):	N/A	
J: Age of youngest worker found:	19 years	
K: Workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes __0__% of under 18's at this site (out of total workers) <input checked="" type="checkbox"/> No	
L: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify): <input type="checkbox"/> None	
M: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 30% of employees want to form a union, they are able to form a union as per law but it is not mandatory by law.	
N: Is It a legal requirement to have a workers committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

O: Is there any other form of effective worker/management communication channel? (Other than union/worker committee)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: They have workers participation committee that arranges workers' meeting regularly.
P: Are there any External Processes?	<input type="checkbox"/> Sub-Contracting <input type="checkbox"/> Home working <input type="checkbox"/> Other External Process (detail) <input checked="" type="checkbox"/> No external processes
Management Systems:	
Q: Nationality of Management	Bangladeshi
R: Majority nationality of workers	Bangladeshi
S: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	2 % of total workers.
T: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If not, why not?	Not Applicable
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:

Worker Analysis

Worker Analysis								
	Local			Migrant				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – male	2,483	0	0	0	0	0	0	2,483
Worker numbers – female	3,034	0	0	0	0	0	0	3,034
Total	5,517	0	0	0	0	0	0	5,517
Number of Workers interviewed	62 (27 male and 35 female)	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: (please record evidence)	N/A

Migrant Workers:

Please see SMETA Best Practice Guidance - Page 37

D: Originating Locations/Countries:	Not applicable
E: Work undertaken by migrant workers:	Not applicable
F: Were migrant workers recruited through an agency?	Not applicable
If yes, is there a contract with the agency? Provide details of agencies and contractual arrangements	Not Applicable

G: Percentage of migrant workers in company provided accommodation:	Not Applicable
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Audit Results by Clause

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

Evidence of Compliance and Current Status
<p><i>Please Note: include evidence examined & description of current status.</i></p> <p>Documents checked & comments: Factory policy and procedure, List of responsible person for ensuring this code implementation, Training Records, Notice board, Meeting Minutes.</p> <p>Description of Current Status:</p> <ol style="list-style-type: none"> The factory implements and maintains systems for delivering compliance to this Code. Md. Mahmud Hossen, Sr. Manager (Compliance) is responsible for compliance with the Code. The factory communicates this Code to all employees and to their suppliers by training.

Non-compliance:	
<p>1. Description of non-compliance: None observed.</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p>Local law or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

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 observed	Objective evidence observed: Not applicable

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

<p>Evidence of Compliance and Current Status</p> <p><i>Please Note: include evidence examined & description of current status.</i></p>
<p>Documents checked & comments:</p> <p>Personal file, appointment letter, Id card issue register, policies, workers interviews etc.</p> <p>Description of current status:</p> <p>The factory established a policy to ensure employment is freely chosen. The policy includes the following clauses:</p> <ol style="list-style-type: none"> 1. The factory does not require deposit or withhold employees' ID cards. 2. The factory does not limit the employees' freedom.

Non-compliance:	
<p>1. Description of non-compliance:</p> <p>None observed.</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law:</p> <p>Local law or ETI requirement</p> <p>Not applicable</p> <p>Recommended corrective action:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

Observation	
<p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI requirement:</p> <p>Not applicable</p> <p>Comments:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

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

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

ETI

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

Evidence of Compliance and Current Status:

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

Documents checked & comments:

Meeting register, meeting minutes, formation of participation committee.

Description of current status:

Through the factory management and workers' interview, it was noted that there was a workers' participation committee in the factory by which workers can raise their demand to the factory management. Regular monthly meeting of workers participation committee is in place.

Non-compliance:

1. Description of non-compliance:

It was noted through documents review and workers interview that the members of participation committee were found not familiar with their roles and responsibilities. And committee members are selected by the management instead of election among workers.

☒ NC against ETI

☒ NC against Local Law

Local law or ETI requirement:

In accordance with Industrial Relation Rule 1977, Section-22

In an establishment where there is no collective bargaining agent, the employer within 15 days of receipt of the order under sub-section (1) of Section 24 inform the Director of Labor to this effect and thereafter the Director of Labor shall direct the employer to hold election for choosing workmen's representatives on the Participation Committee within one month from the date of receipt of such direction.

Recommended corrective action:

It is agreed by the facility management that they would make an effective worker' participation committee informing them their roles and responsibility.

Corrective action time frame: 60 days

Objective evidence observed:

1. Documents review and workers interview.

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. There was no union in the factory.	
If no union what is parallel means of consultation with workers e.g. worker committees?	Worker participation committee.	
B: Is there any evidence that this is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Yes. The Workers Participation Committee is arranging meeting within three months and gathering problems coming from workers' end and approaching them to the management.	
C: Are any workers covered by Collective Bargaining Agreement (CBA)	N/A. No CBA was established in the factory.	
If yes what percentage by trade Union/worker representation	____% workers covered by Union CBA	____% workers covered by worker rep CBA
D: Does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No CBA N/A	

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

3: Working Conditions are Safe and Hygienic

ETI

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

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

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

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

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

Evidence of Compliance and Current Status

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

Documents checked & comments:

Training documents, water test report, fire drill register, health & hygiene certificate, company policies and injury records.

Description of current status:

Through factory tour, it was noted that the electrical system was in a good condition. All switches in the electrical control panels have been labelled. The factory posted the evacuation plans on work floors, which indicated escape routes and the location of the fire extinguishers. Exit signs and emergency lights were installed. First aid boxes were provided in workshops and adequate numbers of aid kits were ensured in all first aid boxes in different sections. PPE such as masks and gloves were provided to workers. Drinkable water was available in workshops.

Non-compliance:

1. Description of non-compliance:

It was noted through documents review and management interview that bond license of the factory has been expired from 5th March 2014. Note that facility has applied for renewal but yet not got the updated copy.

☒ NC against ETI

☒ NC against Local Law

Local law or ETI requirement:

In accordance with Bond License

Provided that the bond license of the facility should be renewed from the concerned authority.

Recommended corrective action:

It is agreed by the facility management that they would renew that license from concerned authority.

Corrective action time frame: 60 days

Objective evidence observed:

1. Documents Review and Management interview
2. Facility visit
3. Facility visit
4. Facility visit
5. Facility visit
6. Facility visit
7. Facility visit

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2. Description of non-compliance:

It was noted during plant tour that the factory had insufficient capacity of its dining hall, where 30% of total workers could not eat meal at a time.

☒ NC against ETI ☒ NC against Local Law

Local law or ETI requirement:

In accordance with The Factories Rules 1979, Section 58(1)

The dining hall shall accommodate at least 30% percent of the workers working at a time

Recommended corrective action:

It is agreed by the facility management that they would ensure sufficient number of seating capacity.

Corrective action time frame: 60 days

3. Description of non-compliance:

It was noted during facility visit that excessive height of cartoons, fabric rolls and chemical bags were found in finished goods, fabric store and chemical store at shed-2

☒ NC against ETI ☒ NC against Local Law

Local law or ETI requirement:

In accordance with ETI Base Code-3.1

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

Recommended corrective action:

It is agreed by the facility management that they would reduce all the cartoons height in those mentioned areas.

Corrective action time frame: 30 days.

4. Description of non-compliance:

It was noted during facility visit that several aisles of knitting section, sewing section, dyeing section and finishing sections were found partially blocked by carton, machine, garments and standing workers.

☒ NC against ETI ☒ NC against Local Law

Local law or ETI requirement:

In accordance with Bangladesh Labour Law 2006, Section-72(c)

All floors, ways and stairways shall be clean, wide and clear of all obstructions.

Recommended corrective action:

It is agreed by the facility management that they would keep all the aisles free from any obstacles to free movement of the workers.

Corrective action time frame: 30 days.

5. Description of non-compliance:

It was noted during facility visit that several diesel oil drum and chemical drums were found kept without secondary containment in front of shed-2

☒ NC against ETI ☒ NC against Local Law

Local law or ETI requirement:

In accordance with ETI Base Code-3.1

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

Recommended corrective action:

It is agreed by the facility management that they would provide secondary containment to all the chemical and diesel oil drums.

Corrective action time frame: 30 days

6. Description of non-compliance:

It was noted during facility visit that some loose wiring were found in generator room located outside of Shed-2

☒ NC against ETI ☒ NC against Local Law

Local law or ETI requirement:

In accordance with The Factories Rules 1979, Chapter IV, Safety, Section 41

In every factory all electric supply lines and apparatus shall be proper size and sufficient strength and shall be constructed, situated, protected, worked and maintained in such a manner as to cause no risk of bodily injury.

Recommended corrective action:

It is agreed by the facility management that they would cover all loose wire in the factory premises to avoid any accident

Corrective action time frame: 30 days

<p>7. Description of non-compliance: It was noted during facility visit that no physical barrier was found within packing section and spot removing section so can prevent the emission of fumes from spot removing section to packing section. Note that Spot Lifter 830 was using in spot removing section.</p> <p><input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law</p> <p>Local law or ETI requirement: <u>In accordance with ETI Base Code-3.1</u> A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>Recommended corrective action: It is agreed by the facility management that they would provide physical barrier within those section so that fumes from spot removing section would not enter in packing section.</p> <p>Corrective action time frame: 30 days</p>	
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Observation	
<p>Description of observation: None observed Local law or ETI requirement: Not applicable Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

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

<p>4: Child Labour Shall Not Be Used</p> <p>ETI</p> <p>4.1 There shall be no new recruitment of child labour.</p> <p>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.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>

<p>Evidence of Compliance and Current Status</p> <p><i>Please Note: include evidence examined & description of current status.</i></p> <p>Documents checked & comments: National ID card, Age verification certificate, birth certificate, policies, etc.</p> <p>Description of current status:</p> <ol style="list-style-type: none"> 1. The factory establishes a policy that will never employ and use any child labour under the age of 18 years old. 2. The factory verifies all workers' original ID cards at the time of recruitment and keeps the photocopies of workers' ID cards in the personnel files. 3. 62 employees' personal files were provided for review. Each employee file includes a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth.

Non-compliance:	
<p>1. Description of non-compliance: None observed</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law</p> <p>Local law or ETI requirement: Not applicable</p> <p>Recommended corrective action: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

Observation	
<p>Description of observation: None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>Objective evidence observed: Not applicable</p>

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

5: Living Wages are paid
<p>ETI</p> <p>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.</p> <p>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.</p> <p>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.</p>

<p>Evidence of Compliance and Current Status</p> <p><i>Please Note: include evidence examined & description of current status.</i></p>
<p>Documents checked & comments:</p> <p>Wage sheet, personal file, leave register and resign files and maternity register.</p> <p>Description of current status:</p> <p>1. All workers are 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.</p> <p>2. Benefits such as social insurance, sick, casual leave and maternity leave are provided to workers.</p>

Non-compliance:	
<p>1. Description of non-compliance:</p> <p>None observed</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law</p> <p>Local law or ETI requirement:</p> <p>Not applicable</p> <p>Recommended corrective action:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

Observation	
<p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI requirement:</p> <p>Not applicable</p> <p>Comments:</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

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

Wages analysis:																																																																					
A: Sample size: <i>(number of wages checked and which weeks or months – please see BPG)</i>	62 samples from February 2014 62 samples from January 2014 20 samples from March 2013 to December 2013																																																																				
B: Legal minimum wage for standard time: <i>(excluding OT - please include time period e.g. hour/week/month)</i>	BDT 5300 per month or BDT 25.48 per hour																																																																				
C: Are there different legal minimum wage grades? If yes, please specify all.	No	<p>If yes, please give details: The Government announced the new pay structure on 5th December, 2013 for the workers of the Garments Industries. The Gazette Notification has been published on 5th December, 2013 for the implementation of the new pay structure. There are two separate pay structures; one for the garment workers and another for the employees.</p> <p>1. For the workers:</p> <table><tr><th>Grades</th><th>Monthly basic wage</th><th>House rent 40% of the basic</th><th>Medical allowance</th><th>Conveyance</th><th>Food</th><th>Gross monthly wage</th></tr><tr><td>Grade 1</td><td>Tk. 8500</td><td>Tk. 3400</td><td>Tk. 250</td><td>Tk. 200</td><td>Tk. 650</td><td>Tk.13000</td></tr><tr><td>Grade 2</td><td>Tk. 7000</td><td>Tk. 2800</td><td>Tk. 250</td><td>Tk. 200</td><td>Tk. 650</td><td>Tk.10900</td></tr><tr><td>Grade 3</td><td>Tk. 4075</td><td>Tk. 1630</td><td>Tk. 250</td><td>Tk. 200</td><td>Tk. 650</td><td>Tk.6805</td></tr><tr><td>Grade 4</td><td>Tk. 3800</td><td>Tk. 1520</td><td>Tk. 250</td><td>Tk. 200</td><td>Tk. 650</td><td>Tk.6420</td></tr><tr><td>Grade 5</td><td>Tk. 3530</td><td>Tk. 1412</td><td>Tk. 250</td><td>Tk. 200</td><td>Tk. 650</td><td>Tk.6042</td></tr><tr><td>Grade 6</td><td>Tk. 3270</td><td>Tk. 1308</td><td>Tk. 250</td><td>Tk. 200</td><td>Tk. 650</td><td>Tk.5678</td></tr><tr><td>Grade 7</td><td>Tk. 3000</td><td>Tk. 1200</td><td>Tk. 250</td><td>Tk. 200</td><td>Tk. 650</td><td>Tk.5300</td></tr><tr><td>Apprentice</td><td></td><td></td><td></td><td></td><td></td><td>Tk.4180</td></tr></table>					Grades	Monthly basic wage	House rent 40% of the basic	Medical allowance	Conveyance	Food	Gross monthly wage	Grade 1	Tk. 8500	Tk. 3400	Tk. 250	Tk. 200	Tk. 650	Tk.13000	Grade 2	Tk. 7000	Tk. 2800	Tk. 250	Tk. 200	Tk. 650	Tk.10900	Grade 3	Tk. 4075	Tk. 1630	Tk. 250	Tk. 200	Tk. 650	Tk.6805	Grade 4	Tk. 3800	Tk. 1520	Tk. 250	Tk. 200	Tk. 650	Tk.6420	Grade 5	Tk. 3530	Tk. 1412	Tk. 250	Tk. 200	Tk. 650	Tk.6042	Grade 6	Tk. 3270	Tk. 1308	Tk. 250	Tk. 200	Tk. 650	Tk.5678	Grade 7	Tk. 3000	Tk. 1200	Tk. 250	Tk. 200	Tk. 650	Tk.5300	Apprentice						Tk.4180
Grades	Monthly basic wage	House rent 40% of the basic	Medical allowance	Conveyance	Food	Gross monthly wage																																																															
Grade 1	Tk. 8500	Tk. 3400	Tk. 250	Tk. 200	Tk. 650	Tk.13000																																																															
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Apprentice						Tk.4180																																																															

	2. For the employees:						
	Grades	Monthly basic wage	House rent 40% of the basic	Medical allowance	Conveyance	Food	Gross monthly wage
	Grade 1	Tk. 6500	Tk. 2600	Tk. 250	Tk. 200	Tk. 650	Tk. 10200
	Grade 2	Tk. 5000	Tk. 2000	Tk. 250	Tk. 200	Tk. 650	Tk. 8100
	Grade 3	Tk. 4500	Tk. 1800	Tk. 250	Tk. 200	Tk. 650	Tk. 7400
	Grade 4	Tk. 3250	Tk. 1300	Tk. 250	Tk. 200	Tk. 650	Tk. 5650
	Apprentice						Tk. 4320
D: Where there are different legal minimum wages grades are all workers graded correctly?	N/A			If no, please give details:			
E: What deductions are required by law:	Unauthorised absent deduction						
F: Have all of these deductions been made?	Yes						
G: Industry norm for this region: (please include time period e.g. hour/week/month)	N/A						
H: Legal overtime premium for weekdays: (please include time period e.g. hour/week/month)	200% of employee's normal rate.						
I: Legal overtime premium for rest days: (please include time period e.g. hour/week/month)	200% of employee's normal rate.						
J: Legal overtime premium for holidays: (please include time period e.g. hour/week/month)	200% of employee's normal rate.						

Worker Type	Process Operator (Highest paid)	Process Operator (Average paid)	Process Operator (Lowest paid)
<i>Select one worker's records from each "Worker Type" and populate the boxes. Ensure comparison is made for same pay period (peak) and only uses full-time workers. See SMETA Best Practice Guidance for completing this:</i>			
A: Pay period <i>(please include time period e.g. hour/week/month):</i>	February 2014	February 2014	February 2014
B: Anonymous Employee Reference/Dept.	12296/ Operator	13845/ Jr. Iron man	17381/ Assistant operator
C: Employee Gender	Male	Male	Female
D: Contracted wage <i>(please include time period e.g. hour/week/month):</i>	BDT 6420/- per month	BDT 6,042/- per month	BDT 5,300/- per month
E: Standard working hours <i>(excluding OT - please include time period e.g. hour/week/month):</i>	208 hours per month	208 hours per month	208 hours per month
F: Standard work pay rate <i>(excluding OT - please include time period e.g. hour/week/month):</i>	BDT 6,420/- per month(as per new announced pay structure by government)	BDT 6,042/- per month(as per new announced pay structure by government)	BDT 5,300/- per month(as per new announced pay structure by government)
G: Standard day overtime – hours <i>(please include time period e.g. hour/week/month):</i>	2 hours per day	2 hours per day	2 hours per day
H: Standard day overtime – wage <i>(please include time period e.g. hour/week/month):</i>	BDT 36.54 per hour	BDT 33.94 per hour	BDT 28.85 per hour
I: Rest day overtime – hours <i>(please include time period e.g. hour/week/month):</i>	0/month	0/month	0/month
J: Rest day overtime – wage <i>(please include time period e.g. hour/week/month):</i>	0/month	0/month	0/month
K: Statutory Holiday overtime – hours <i>(please include time period e.g. hour/week/month):</i>	0/month	0/month	0/month
L: Statutory holiday OT - wages <i>(please include time period e.g. hour/week/month):</i>	0/month	0/month	0/month

M: Total overtime hours (please include time period e.g. hour/week/month):	42 hours /month	44 hours /month	48 hours/month
N: Incentives/Bonus/ Allowances etc. (please include time period e.g. hour/week/month):	Over Time BDT 1535/- month Attendance Bonus BDT 0/- month Other Allowance (Disable) BDT 3,013/- month	Over Time BDT 1,493/- month Attendance Bonus BDT 200/ month Other Allowance (Deaf) BDT 1,416/ month	Over Time BDT 1,385/ month Attendance Bonus BDT 200/ month
O: Gross wages (please include time period e.g. hour/week/month):	BDT 10,832/ month	BDT 9,151/ month	BDT 6,885/ month
P: Social insurance and other deductions	Stamp charge-BDT 10/- and absent deduction BDT 136/- month	Stamp charge-BDT 10/-	Stamp charge BDT 10/-
Q: Actual wage paid after deduction (please include time period e.g. hour/week/month):	BDT 10,822/ month	BDT 9,141/- month	BDT 6,875/ month
Comments: (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			
Above information's are based on provided documents by the factory management.			
R: Is there a defined living wage: <i>This is not normally legal wage. If answered Y please state amount and source of info: Please see BPG)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time period:		
S: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
T: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:		
U: How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer If not explain:		
Actual overtime premium paid in sample for...	As per below		
V: Weekdays:	200% of employee's normal rate		
W: Rest days:	200% of employee's normal rate		

X: Holidays:	200% of employee's normal rate
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6: Working Hours are not Excessive
<p>ETI</p> <p>6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.</p> <p>6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.</p>

<p>Evidence of Compliance and Current Status</p> <p><i>Please Note: include evidence examined & description of current status.</i></p>
<p>Documents checked & comments:</p> <p>Time card & salary sheet, attendance register, production records, etc.</p> <p>Description of current status:</p> <p>Through employees' interview, overtime is voluntary. Workers are willingly doing over time.</p>

Non-compliance:	
<p>1.Description of non-compliance:</p> <p>None observed</p> <p><input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law</p> <p>Local law or ETI requirement:</p> <p>No applicable</p> <p>Recommended corrective action:</p> <p>No applicable</p>	<p>Objective evidence observed:</p> <p>Not Applicable</p>

Observation	
<p>Description of observation:</p> <p>None observed</p> <p>Local law or ETI requirement:</p> <p>Not applicable</p> <p>Comments:</p> <p>Not applicable</p>	<p>Objective evidence observed:</p> <p>Not applicable</p>

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

Working hours analysis	
<i>Please include time period e.g. hour/week/month</i>	
A: What timekeeping systems are used: time card etc.	Electronic time card
B: Sample size checked (number of workers): <i>Please see BPG</i>	62 samples from February 2014 62 samples from January 2014 20 samples from March 2013 to December 2013
C: Legal standard work week (hours): <i>(Excluding OT - please include time period e.g. hour/week/month).</i>	8 hours per day and 48 hours per week
D: Contracted standard work week this site (hours) <i>(excluding OT - please include time period e.g. hour/week/month)::</i>	48 hours per week
E: Actual standard work week averaged over sample for full time workers: <i>(excluding OT - please include time period e.g. hour/week/month)</i>	48 hours per week
F: Lowest standard hours worked <i>(excluding OT - please include time period e.g. hour/week/month)</i>	40 hours per week
G: Highest standard hours worked <i>(excluding OT - please include time period e.g. hour/week/month)</i>	48 hours per week
H: Percentage workers on part-time contracts	Not applicable
I: Legal permitted overtime hours <i>(please include time period e.g. hour/week/month)</i>	Not exceed 2 hours per day, 12 hours per week and 52 hours per month
J: Any local waivers or permission for annualised hours for this site:	Not applicable

K: Actual overtime hours: (averaged over sample) <i>(please include time period e.g. hour/week/month)</i>	19.55 hours per month
L: Range of overtime hours over all workers: <i>(quote highest and lowest please include time period e.g. hour/week/month)</i>	26 – 50 hours per month
M: approx % of workers on highest overtime hours:	19.23 %
N: Peak season(s): <i>months</i>	Same round the year
Comments: (Please state here any specific reasons/circumstances that explain the highest working hours)	
The above working hour information is based on the attendance and payroll records provided by the factory.	

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

Evidence of Compliance and Current Status <i>Please Note: include evidence examined & description of current status.</i>
Documents checked & comments: Training records, compensation records, termination & retirement records, etc. Description of current status: Through employee interview, management interview and documents review : 1. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement. 2. The factory provides the same pay to male/female employees.

Non-compliance:	
1. Description of non-compliance: None observed <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law Local law or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: 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 observed	Objective Evidence Observed: Not applicable

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

<p>Evidence of Compliance and Current Status</p> <p><i>Please Note: include evidence examined & description of current status.</i></p>
<p>Documents checked & comments:</p> <p>Policies & procedures, employment contracts, etc.</p> <p>Description of current status:</p> <p>Work performed is on the basis of recognized employment relationship established through national law and practice.</p>

Non-compliance:	
<p>1. Description of non-compliance:</p> <p>It was noted through documents review and management interview that service book of workers were found not updated.</p> <p><input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law</p> <p>Local law or ETI requirement:</p> <p><u>In accordance with Bangladesh Labor Act 2006, Section-8</u></p> <p>The employer shall at the commencement of the employment and during the continuance of the same, make some entries therein from time to time as are required by this chapter and the rules and both the employer and the worker shall sign the entries as they are made.</p> <p>Recommended corrective action:</p> <p>It is agreed by the facility management that they would update service book periodically</p> <p>Corrective action time frame: 30 days</p>	<p>Objective evidence observed:</p> <p>1. Document review and management interview</p>

Observation	
Description of observation:	Objective evidence

<p>None observed</p> <p>Local law or ETI requirement: Not applicable</p> <p>Comments: Not applicable</p>	<p>observed: Not applicable</p>
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Good Examples observed:	
<p>Description of Good Example (GE): None observed</p>	<p>Objective Evidence Observed: Not applicable</p>

8A: Sub-Contracting and Home working:

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, home working and external processing. Note to auditor on home working: Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.

Evidence of Compliance and Current Status

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

Documents checked & comments:

Policies & procedures.

Description of current status:

It was verified through document review, factory tour, management interview and employee interview that no sub-contracting & Home-working was used by this factory.

<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>Name of factory →</i>	
<i>Address →</i>	

Non-compliance:	
1. Description of non-compliance: None observed <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law Local law or ETI /Additional Elements requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: 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 observed	Objective Evidence Observed: Not applicable

Summary of sub-contracting – if applicable	
A: Number of sub-contractors/agents used	Not applicable
B: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, summarise details: N/A
C: What checks are in place to ensure no child labour is being used and work is safe?	Not applicable
D: What processes are sub-contracted?	Not applicable

Summary of home working – if applicable: Not applicable			
E: Number of home workers	Male: Nil	Female: Nil	Total: Nil
F: Are home workers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents Not applicable		
G: If through agents, number of agents	Not applicable		
H: Is there a site policy on home working?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable		
I: How does site ensure worker hours and pay meet local laws for home workers?	Not applicable		
J: What processes are carried out by home workers?	Not applicable		
K: Are written agreements in place for home workers that include regular employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable		
L: Are full records available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable		

9: No Harsh or Inhumane Treatment is allowed
ETI 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation be prohibited.

Evidence of Compliance and Current Status <i>Please Note: include evidence examined & description of current status.</i>
<p>Documents checked & comments: Anti-harsh or inhumane treatment policy and records.</p> <p>Description of current status: The factory established anti-harsh or inhumane treatment policy. The policy states that physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Through the factory management and workers' interview, it was noted that no physical abuse or discipline happened in the factory and the disciplinary procedure of the factory is verbal warning and education.</p>

Non-compliance:	
1. Description of non-compliance: None observed <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law Local law or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: 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 observed	Objective Evidence Observed: Not applicable

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

Additional Elements

10A1 Only workers with a legal right to work shall be employed or used by the supplier.

10A2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

10A3 employment agencies must only supply workers registered with them.

10A4 the supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

Evidence of Compliance and Current Status

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

Documents checked & comments:

Employment records, appointment letter, etc.

Description of current status:

Only workers with a legal right to work shall be employed or used by the factory. There are no agency staffs, employment agencies and immigration workers in the factory.

Non-compliance:

1. Description of non-compliance:

None observed

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Local law or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence

observed:

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 observed	Objective Evidence Observed: Not applicable

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

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

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

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

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

Evidence of Compliance and Current Status

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

Documents checked & comments:
Environmental license and written policy.

Description of current status:

1. The factory provided environmental assessment documents for auditor's review.

2. The factory had written environmental policy.

3. Md. Mahmud Hossen, Sr. Manager (Compliance) was responsible for continuous improvements in their environmental performance.

Non-compliance:

1. Description of non-compliance:

None observed

☐ NC against ETI/Additional Elements

☐ NC against Local Law

Local law or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence

observed:

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

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

Worker Interview Summary

Worker Interview Summary		
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
C: Number of group interviews: <i>Please specify number and size of groups. Please see BPG</i>	40 employees in 8 groups (8*5)	
D: Number of individual interviews <i>Please see BPG</i>	Male:07	Female: 15
E: Number of interviewed workers <i>Please see BPG</i>	Male: 27	Female: 35
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?	Nil	
I: What did the workers like the most about working at this site?	Wages are always paid on time and working environment is favourable.	
J: Any additional comment(s) regarding interviews:	Nil	

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



Other findings

Other Findings outside the Scope of the Code
None observed




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










Photo Form










Non-compliance Photos:



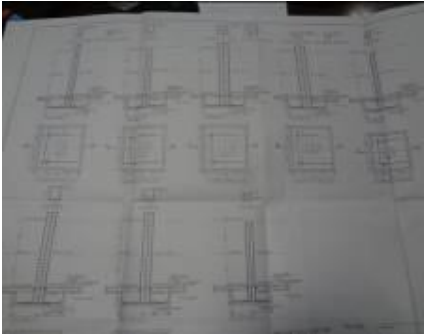

		
<i>Loose wiring</i>	<i>Aisles blocked in knitting section</i>	<i>Aisles blocked in knitting section</i>
		
<i>Excessive heights in finished goods store</i>	<i>Chemical drums without secondary containment</i>	

General Site Tour Photos:

		
<i>Factory gate</i>	<i>Factory Shed</i>	<i>Knitting Section</i>

		
<i>Dyeing Section</i>	<i>Cutting section</i>	<i>Sewing section</i>
		
<i>Finishing section</i>	<i>Packing section</i>	<i>Finished goods store</i>
		
<i>Evacuation plan</i>	<i>Fire extinguisher</i>	<i>Fire hose reel</i>

		
Exit sign	Fire alarm	First aid box
		
Child care room	Doctor's room	ETP
		
Drinking water	Dining area	Facility notice board

		
Generator	Boiler	Aisle
		
Factory building-Industrial type	Floor lay out plan	Building approved from LGED

**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=d3vYsCe48fre69DRglY_2brg_3d_3d



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