

# Sedex Members Ethical Trade Audit (SMETA) Report

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

Supplier name:		
Site country:	India	
Site name:		
Parent Company name (of the site):		
SMETA Audit Type:	<input type="checkbox"/> 2-Pillar	<input checked="" type="checkbox"/> 4-Pillar
Date of Audit	23 & 24 December 2015	

## 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 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 & local law and recorded as non compliances on both the audit report, CAPR and on Sedex.



# Intertek

<ul style="list-style-type: none"> <li><b>Audit Company Name:</b> Intertek</li> </ul>	<ul style="list-style-type: none"> <li><b>Report Owner (payee):</b> [REDACTED]</li> </ul>
Sedex Company Reference: <i>(only available on Sedex System)</i>	<b>S: Not Available</b>
Sedex Site Reference: <i>(only available on Sedex System)</i>	<b>P: Not Available</b>

<ul style="list-style-type: none"> <li><b>Audit Conducted By</b></li> </ul>			
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 and SMETA Measurement Criteria.

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

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

Lead auditor: Amit Bhandare

Team auditor: None

Interviewers: Amit Bhandare

Date: 23 & 24 December 2015

## Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause)	Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)			Record the number of issues by line*:		
	ETI Base Code	Local Law	Additional Elements (i.e. not part of ETI code )	NC	Obs	GE
0 <a href="#">Management systems and code implementation</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	00	00	00
1 <a href="#">Employment Freely Chosen</a>	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
2 <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
3 <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		04	00	00
4 <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
5 <a href="#">Wages and Benefits</a>	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
6 <a href="#">Working Hours</a>	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
7 <a href="#">Discrimination</a>	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
8 <a href="#">Regular Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
8A <a href="#">Sub-Contracting and Homeworking</a>		<input type="checkbox"/>	<input type="checkbox"/>	00	00	00
9 <a href="#">Harsh or Inhumane Treatment</a>	<input type="checkbox"/>	<input type="checkbox"/>		00	00	00
10A <a href="#">Entitlement to Work</a>		<input type="checkbox"/>	<input type="checkbox"/>	00	00	00
10B2 <a href="#">Environment 2-Pillar</a>		<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA
10B4 <a href="#">Environment 4-Pillar</a>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	01	00	00
10C <a href="#">Business Ethics</a>		<input type="checkbox"/>	<input type="checkbox"/>		00	00

\*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)

### Audit Process

This full initial audit was conducted by Intertek India Private Limited. 1 Auditors for 2 days for 1 and half day (1.5 Man Days) assessed / verified the facility's operations against the ETI Base Code (SEDEX 4 pillar) and local legislations on a sampling basis.

Mr Tushar Vora – Manager – Admin and other members of the management present in the opening meeting were very cooperative and receptive during the entire audit process

### Positive observations:

Below observations are based on the tour of the facility, review of records, interviews with employees and interaction with facility management:

Overall general working conditions of the facility was found to be in order, the workers on physical appearance seemed to be above 18 yrs of age.

There was no evidence of any Child Labour, Discrimination, Harassment or Abuse and Unfairly Disciplinary Practices.

### Negative observations:

In this initial audit, the non-compliances were observed in the areas of, 'Safety and Hygienic Conditions' & 'Environment – 4 Pillar'. For other areas no non compliances were noted. For details, please refer to the respective section of the audit report.

The summary of the finding is as below:

1. It was noted from the tour of the facility emergency lights were not installed in the facility.
2. It was noted from interaction with facility management that facility has conducted potability test for drinking water from external agency but not as per IS 10500 standards
3. It was noted from the review of records and interaction with the management, firefighting drills are not conducted as per requirement (Once in two months), and it was observed from review of records drill is conducted once in 4 months.
4. It was noted from the review of records and interaction with the management 01 – Mini Baby boiler and 01 – Air compressor has been inspected on 19/12/2014 externally. As per the requirement periodic inspection has not been carried out once in 6 months.
5. It was noted from management interaction and document review that current name of the facility is [REDACTED] however obtained pollution consent is in the old name of [REDACTED]

### Auditors Notes:

None Observed

## Audit Details

• Audit Details			
A: Report #:	IDA-12784-01		
B: Time in and time out (SMETA Best Practice Guidance and Measurement Criteria recommends 9.00–17.00 hrs. if any different please state why in the SMETA declaration )	Day 1 Time in: 01:00 pm Day 1 Time out: 05:00 pm	Day 2 Time in: 10:00 am Day 2 Time out: 05:00 pm	Day 3 Time in: Day 3 Time out:
C: Number of Auditor Days Used: (number of auditor x number of days)	One Auditor in 2 days (1.5 Man days)		
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? (AAG recommends a window of three weeks for semi-announced, this gives optimum results)	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:      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? (Examples would be, site has not completed SAQ, site has not been asked to complete the SAQ.)	Not Registered on Sedex		
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):	Amit Bhandare - Auditor		
I: Report written by:	Amit Bhandare		
J: Report reviewed by:	Gargi Banerjee		
K: Report issue date:	31 December 2015		
L: Supplier name:	[REDACTED]		
M: Site name:	[REDACTED]		
N: Site country:	India		

O: Site contact and job title:	[REDACTED]			
P: Site address: (Please include full address)	[REDACTED] (India)			
Site phone:	[REDACTED]			
Site fax:	[REDACTED]			
Site e-mail:	[REDACTED]			
Q: Applicable business and other legally required licence numbers: for example, business license no, and liability insurance	[REDACTED] Valid up to 31 <sup>st</sup> December 2017 (up to 250 Employees )			
R: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Manufacturing of Ready Made Garments Cotton Bags and Jute Bags			
S: Audit results reviewed with site management?	Yes			
T: Who signed and agreed CAPR (Name and job title)	[REDACTED]			
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):	[REDACTED]			
W: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" 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:	Not Applicable			
Z: Previous audit type:		SMETA 2-pillar	SMETA 4-pillar	Other
	Full Initial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Periodic	<input 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 (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week and month)	48 hours per week	43.20 hours per week	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Legal Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week and month)	2 hours per day, 12 hours per week and 50 hours per quarter	No Overtime Performed	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Legal age of employment: (Minimum legal and actual minimum age at site)	14 years	18 years	
D: Legal minimum wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week and month)	Unskilled INR 286.30 per day	INR 286.40 per day	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
E: Legal minimum overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week and month)	200% of normal rate of wages for overtime work on weekdays, rest days and holidays	No Overtime Performed	<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 checked="" type="checkbox"/>
10C: Business Ethics	<input checked="" 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 as well as workers supplied by other contractors.	<input checked="" 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.

## 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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	Employee representative was not present as he was busy with his daily Production activities.								
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	No Union Exists at the facility								
F: Site description: (Include size, location and age of site. Also include structure and number of buildings)	<p>██████████ is situated at ██████████ (India).</p> <p>The facility started its operations in the existing location since January 2007.</p> <p>The total land area occupied by the facility is 2347 Sq.mt and the built up area is about 2232 Sq.mt</p> <p>The facility operations are carried out in one (1) concrete building consisting of ground floor and first floor out of which ground floor is meant for production and storage activities and first floor is meant for</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>production &amp; administration activities.</p> <p>Total Production capacity is 2,25,000 Pieces / Month.</p>			Production Building no	Description	Remark, if any			
Production Building no	Description	Remark, if any							

	Ground Floor	Warehouse, Cutting, Stitching, Finishing, Inspection, Pressing, Packing	None
	First Floor	Stitching, Finishing, Inspection, Printing	None
	Is this a shared building?	No	None
G: Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor		
H: Month(s) of peak season: (if applicable)	Consistent throughout the year		
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)			
<p>The facility is engaged in the manufacturing of Cotton and Jute bags.</p> <p><b>The main production processes are listed as below:</b>            Raw material- Cutting – Printing – Sewing – Thread Cutting – Checking – Pressing – Packing – Dispatch</p> <p><b>The main machineries are as follows:</b>            Name of the machinery Number of machines            Printing machine 02            Sewing machine 75</p> <p>Utilities:            1) Steam Baby Boiler – 01            2) DG Set – 01 (75 KVA)</p> <p><b>Employee Strength:</b>            Facility has a total of 66 employees, segregation is mentioned below:</p> <p>56 Production employees + 10 non production employees = 66 Total employees            43 Male employees + 23 Female employees = 66 Total employees            66 permanent employees + 0 contract employees = 66 Total employees</p>			

The facility does not employ any foreign nationals.

**Working Hours:**

Employees work 6 days a week in one shift as mentioned below:

Shift 1 : 8:30 am to 5:30 pm (Boy's shift)

Shift 2 : 9:00 am to 5:30 am (Girls' Shift)

Lunch break : 60 minutes staggered

Tea Breaks: 2 Tea breaks of 15 minutes each

Weekly holiday: Wednesday

Facility has maintained (Electronic Show card) for In/Out time recording system for all employees.

**Wage Calculation:**

Salary for employees are fixed on daily rate and monthly rate and paid once in a month. The payment is made by Cheque to employees earning above INR 20,000 & rest cash to all employees. The payment is made to all employees on or before 7<sup>th</sup> of every month.

10 samples of time & wage records were reviewed for the month of November 2015, April 2015 & December 2014.

**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*

Based from interview with 10 employees, it was noted that all employees were satisfied with the facility management and no negative comments were received.

**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*

Based from interview with Works committee Representative, it was noted that all employees were satisfied with the facility management and no negative comments were received.

**L: Attitude of managers:**

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

The facility management showed a positive attitude to this audit and extended their cooperation during the process. All documentation requested for review was provided timely. At the end of the audit, all the non-compliances were accepted by the facility and they assured corrective action.

## Key Information

• Key Information <i>(click on the key information title to go to appropriate section of the report)</i>		
<b>A: Do all workers (including migrant workers) have contracts of employment/employment agreements?</b> <i>(Go to clause 8 – Regular Employment)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>B: Are maximum standard/contracted working hours clearly defined in contract/employment agreements?</b> <i>(Go to clause 8 – Regular Employment)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>C: Were appropriate records available to verify hours of work and wages?</b> <i>(Go to clause 5 – Living Wage)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>D: Were any inconsistencies found? (if yes describe nature)</b> <i>(Go to Wages Table)</i>	<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	
<b>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</b> <i>(Go to clause 5 – Living Wage)</i>	<b>Wages found:</b>  <input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	<b>Please indicate the breakdown of workforce according to earnings:</b>  ____ % of workforce earning under min wage 100 % of workforce earning min wage ____ % of workforce earning above min wage
<b>F: % of piece rate workers: (if applicable)</b>	No Piece rate work engaged in the facility	
<b>G: Do the standard/contracted hours stated in a contract/employment agreement exceed the law or 48 hours per week?</b> <i>(Go to clause 6 – Working hours)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>H: If yes, what are the standard/contracted hours per week as stated in the contract/employment agreement?</b> <i>(Go to clause 6 – Working hours)</i>	NA hrs/week	Approx. NA % of <b>ALL</b> workers on these contacted hours
<b>I: Combined hours (standard/contracted plus overtime = total hours) over 60 per week found?</b> <i>(Go to Working Hours Analysis)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>J: Are workers provided with 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?</b>	<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)	Please give details of 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% – 199% <input checked="" type="checkbox"/> 200%+ Please give details: It was noted from 10 sampled employees no overtime is performed, It was also further noted from interaction with management and workers if performed overtime will be paid twice the rate of ordinary wages
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):	Nil
O: Age of youngest worker found: (Go to clause 4 – Child labour)	18 years
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)	Nil %
Q: What form of worker representation/union is there on site? (Go to clause 2 – Freedom of Association)	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" 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 type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: Suggestion Box is provided
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	Indian
B: Gender breakdown of Management + Supervisors <i>(Include as one combined group)</i>	Male: 65 % Female: 35 %
C: Majority nationality of workers	Indian
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)	15 %
E: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
F: If <b>No</b> , why not?	Not Applicable
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: The facility has not been subject to any fines/prosecution from past 12 months
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: No Child Labour Policy display
I: If <b>Yes</b> , is there evidence (an indication) of effective implementation? Please give details.	Facility has established Child and Forced Labour, Discrimination & Harassment policies and procedures which were found to be effectively implemented.
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 <b>Yes</b> , is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	Managers are trained and aware of policies framed by the facility.
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 <sup>rd</sup> party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Health & Safety, Works Committee and Suggestion Box
M: If <b>Yes</b> , are workers aware of these channels? Please give details.	Workers are aware about Health & Safety, Grievance committee, Anti-harassment and Abuse committee in the facility and its committee members, further workers are also aware about Suggestion box and its purpose.



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: Facility has formed health & safety committee to resolve safety issues.
O: If <b>Yes</b> , has effective action been taken to reduce or eliminate these risks?	Regular meeting of health & safety committee members to discuss on Health & safety issues also the committee keeps track of issues identified, progress of actions
P: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Accident Register is maintained monthly
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: Production records were verified by auditors.
R: Does the site have all required land rights licenses and permissions (see <i>SMETA Measurement Criteria</i> )?	Yes, Facility has obtained all the legal statutory licenses and approvals to run the facility
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: Mr Tushar Vora – Manager – Admin is responsible person



## Worker Analysis

• Worker Analysis								
	Local			Migrant			•	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – male	43	00	00	00	00	00	00	43
Worker numbers – female	23	00	00	00	00	00	00	23
Total	66	00	00	00	00	00	00	66
Number of Workers interviewed	10	00	00	00	00	00	00	10

### 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 <b>Yes</b> , how many workers supplied by contractors	Not Applicable as no contract employees were hired in the facility
C: Are all contractor workers paid according to law?	<input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable
If <b>Yes</b> , Please give evidence for contractor workers being paid according to law:	Not Applicable

### Migrant Workers:

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

D: Originating Locations/Countries:	No Migrant Workers employed by Facility
E: Type of work undertaken by migrant workers :	Not Applicable

<b>F: Were migrant workers recruited through an agency?</b> If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Not Applicable
<b>If Yes, is there a contract with the agency? Provide details of agencies and contractual arrangements including any fees lodged during the recruitment process.</b>	Not Applicable
<b>G: Does the site have a system for checking labour standards of agencies?</b> If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Not Applicable
<b>H: Percentage of migrant workers in company provided accommodation:</b>	Not Applicable

## 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:

1. Mr Tushar Vora is responsible in ensuring compliance with the code requirements.
2. The facility has displayed ETI base code and other social compliance policies on notice board and communicated the code requirements to the employees during induction training, refresher trainings and through displays.
3. The facility has communicated the code to their suppliers and all its business associates.

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

- [REDACTED]
- ETI base code
- Interaction with Management and Interview with employees

**Non-compliance:**

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

☐ NC against ETI/Additional Elements

☐ NC against Local Law

None Observed

**Local law and/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

## 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:

Based from review of recruitment policy, personal file of the employees and interaction with employees and facility management it was noted that:

1. Employees are recruited through a personal interview and the job application clearly indicated that each applicant is seeking job voluntarily. Facility has not recruited anyone against their free will.
2. The facility does not require monetary deposit or deposition of employees' original identity papers and original certificates as a condition of employment.
3. No employee is recruited under any bond or agreements i.e. they are not recruited under any kind of debt towards loan/advancement.
4. All employees are free to leave their employer after giving one month's notice in writing.
5. Employees are free to leave at the end of their shift.
6. There is no presence of any prison labour, forced, bonded or involuntary labour at the work place.
7. The Facility does not limit the employee's freedom of movement

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

- Facility Policy and Procedures
- Appointment Letter of 10 out of 10 selected samples and Payroll records
- Interaction with Management and Interview with employees

**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:**

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

## 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:

Based from the review of company policies, interaction with facility management and employees and tour of the facility, it was noted that:

1. Facility encourages and respects all employees' rights to join union freely.
2. Facility recognizes and encourages the right to freedom of association and collective bargaining under the law provision.
3. The facility does not restrict employees on organizing trade unions and has an open approach towards the Activities of trade unions and their organizational activities without management interference.
4. Facility has formed Grievance Committee which consists of 06 members (2 from management and 04 workmen). Meeting is held once in every two months. Last conducted on 16/11/2015 & 07/09/2015.
5. Facility has posted suggestion boxes at accessible locations where employees can share their concerns anonymously.
6. There was no evidence of suppression of employees' rights.

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

- Facility Policy and Procedures.
- Grievance Committee Minutes dated 16<sup>th</sup> November 2015.
- Interaction with Management and Interview with employees.

### Non-compliance:

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

☐ NC against ETI ☐ NC against Local Law

None Observed

Objective evidence  
observed:  
Not Applicable



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

A: Name of union and union representative, if applicable:	No Union Exists at the facility	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?	Facility has posted suggestion boxes at accessible locations where employees can share their concerns anonymously. Facility has formed Grievance Committee which consists of 06 members (2 from management and 04 workmen). Meeting is held once in every two months. Last conducted on 16/11/2015 & 07/09/2015.	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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state how many:	
D: State any evidence that union/workers committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Not required as per law	
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	Nil % workers covered by Union CBA	Nil % workers covered by worker rep CBA

G: If **Yes**, does the Collective Bargaining Agreement (CBA) include rates of pay

☐ Yes  
☐ No  
 Not applicable

• Good Examples observed:

Description of Good Example (GE): None Observed

**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:

Based from review of records, facility tour and interaction with employees and management, it was noted that:

1. Mr Tushar Vora – Manager – Admin is responsible to ensure a healthy and safe work environment in the facility.
2. The facility has established General health and safety policy, occupational health and safety policy and emergency evacuation procedure.
3. Facility has provided clean and sanitized toilets (02 toilets and - 02 urinal points for male and 02 toilet for female), which complies with the legal requirements. Facility has provided 02 well equipped first aid kits. The facility has a system to replenish first aid kit at a regular interval.
4. Facility has provided training to 05 employees in rendering first aid treatment on 07/04/2014 through J K Occupational Health Centre.
5. Facility has provided drinking water 01 drinking water point to all their employees free of cost. Drinking water potability test conducted once in a year. Latest conducted on 05/05/2015 through Sanjeevani Pathology Laboratory.
6. Facility has provided appropriate, accessible, sufficient and functional 19 fire extinguishers & 1 fire alarm call point across the facility.
7. Facility has provided last firefighting training to 08 employees on 15/11/2015 through external agency, Niyati Enterprises. Facility also conducts firefighting training internally.
8. Facility has provided appropriate and relevant personal protective equipment like safety cloths, ear plug, and safety masks free of cost to the employees.
9. Facility has formed Environment, Health and Safety Committee which consists of 05 members (02 from Management and 03 from Workmen) to deal with health & safety issues in the facility. Committee meets at regular intervals and last such meeting was held on 26/11/2015 & 26/09/2015.
10. Facility has conducted mock drills once in 4 months. Last conducted on 26/11/2015.
11. Facility has appointed Kailash Electricals for electric work carried out in the facility, The agency is certified and approved from Energy and Petrochemicals Department Gandhinagar and competent license valid up to 31/12/2018.

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

- [REDACTED]
- Fire License – No – 18 Valid up to 30 April 2016 from Municipal Corporation Rajkot.
- Approved Building Plan dated 20<sup>th</sup> October 2007.
- Stability Certificate dated 30<sup>th</sup> November 2012 and valid for 05 years from date of issue.
- Baby Boiler Inspection certificate dated – on 19/12/2014 from Gujarat Industrial Safety & Health Services.
- Industrial accident records – Updated till November 2015. Form No 15 for General and Form no 29 for Major and Dangerous accidents. However noted no such major accidents occurred.
- Health & Safety Committee meeting minutes dated 26<sup>th</sup> November 2015.
- Firefighting Training records dated 15<sup>th</sup> November 2015.
- Mock drill records dated 26<sup>th</sup> November 2015.
- First Aid Training records dated 07/04/2014.
- Drinking Water Test report dated 05<sup>th</sup> December 2015.
- Interaction with Management and Interview with employees.

**Non-compliance:**
**1. Description of non-compliance:**
☒ NC against ETI      ☒ NC against Local Law

It was noted from the tour of the facility emergency lights were not installed in the facility.

**Local law and/or ETI requirement:**

**In accordance with Gujarat factories rules, Rule 9-e, Fire Exit:** The exits shall be clearly visible and suitably illuminated with suitable arrangement, whatever artificial lighting is to be adopted for this purpose, to maintain the required illumination in case of failure of the normal source of electricity supply. (9-f): The exits shall be marked in language understood by the majority of the worker.

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

**Recommended corrective action:**

It is recommended to install emergency lights of industrial grade.

**Objective evidence observed:**

Tour of the facility

<p><b>2. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law</p> <p>It was noted from interaction with facility management that facility has conducted potability test for drinking water from external agency but not as per IS 10500 standards</p> <p><b>Local law and/or ETI requirement:</b>  <b>In accordance with The Factories Act, 1948, Section 18 (4)</b> In respect of all factories or any class or description of factories the state government may make rules for securing compliance with the provision of sub-section(1)(2)and(3) and for the examination by prescribed authorities of the supply and distribution of drinking water in factories.</p> <p>In accordance with IS 10500, drinking water supplied should be meeting norms prescribed under this standard.</p> <p><b>ETI Code 3.3</b> Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p><b>Recommended corrective action:</b>  It is recommended to conduct drinking water potability test as per IS 10500 standards</p>	<p><b>Objective evidence observed:</b>  Review of Records</p>
<p><b>3. Description of non-compliance:</b>  <input checked="" type="checkbox"/> NC against ETI      <input checked="" type="checkbox"/> NC against Local Law</p> <p>It was noted from the review of records and interaction with the management, firefighting drills are not conducted as per requirement (Once in two months), it is conducted once in 4 months.</p> <p><b>Local law and/or ETI requirement:</b>  In accordance with Gujarat factories rules 1963,Chapter IV Safety section -66-A Fire protection:-(12) Personnel-in-charge of equipment and for fire - fighting, fire-drills, etc.(c) Fire-fighting drills shall be held as often as necessary and at least once in every period 2 months.</p> <p><b>ETI 3.2</b> Workers shall receive regular and recorded Health &amp; Safety training, and such training shall be repeated for new or reassigned workers.</p> <p><b>Recommended corrective action:</b>  It is recommended to conduct fire fighting drills at least once in every period of 2 months</p>	<p>Review of records</p>

#### 4. Description of non-compliance:

☒ NC against ETI ☒ NC against Local Law

It was noted from the review of records and interaction with the management 01 – Mini Baby boiler and 01 – Air compressor has been inspected on 19/12/2014 externally. As per the requirement periodic inspection has not been carried out once in 6 months.

#### Local law and/or ETI requirement:

**Gujarat factories Rules 1963, Section 61, Pressure vessel or plant, (7) In-service test and. examinations:-**

(a) Every pressure vessel or plant in service shall be thoroughly examined by a competent person :-

- (i) externally, once in every period of six months;
- (ii) internally, once in every period of twelve months:-

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

#### Recommended corrective action:

It is recommended to conduct inspection of Mini baby boiler and Air compressor once in six months

#### Observation:

**Description of observation:** None Observed

**Local law or ETI requirement:** Not Applicable

**Recommended corrective action:** Not Applicable

**Objective evidence observed:**  
Not Applicable

#### Good Examples observed:

**Description of Good Example (GE):** None Observed

**Objective Evidence Observed:**  
Not Applicable



#### 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:

1. Facility has displayed Child Labour policy in Local Language which states that "No Child labour allowed in the factory".
2. Facility has established Child labour policy and Child remediation policy.
3. Based on the review of age proof records, physical appearance of employees during walk through and
4. Interviews with employees, there was no evidence of child labour or young labour observed / reported.
5. Facility has maintained valid age proof documents in the form of School leaving certificates, Driving License, Pan card and Voter ID cards.
6. The age of youngest worker found in the facility is 18 years.

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

1. Age proof records from personal file of the employees
2. Child labour policy and child remediation policy

##### 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:  
Not Applicable



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

Good Examples observed:	
<b>Description of Good Example (GE):</b> None Observed	<b>Objective Evidence Observed:</b> 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:

It was noted from review of wage records and interaction with employees and management that:

1. All employees are covered under social security benefits schemes like Provident Fund and Maternity benefit act.
2. No fines / illegal deductions are made from the wages of the employees as disciplinary measures.
3. All employees are paid on or before 7<sup>th</sup> of every month.
4. All employees are provided with clear, written and understandable pay stub in local language.
5. All 10 out of 10 sampled employees were paid well above the legal minimum wage.
6. Maternity benefit is extended to eligible female employees.
7. PF is paid @ 12% to all the eligible employees.

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

Wage records and time records for November 2015, April 2015 & December 2014 were verified.

Social Security Documents for Company employees,

Bonus Records

Leave Records

Settlement and Gratuity paid records.

List of National and Festival Holidays.

Interaction with management and Employees.

### Non-compliance:

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

☐ NC against ETI ☐ NC against Local Law

None Observed

Local law and/or ETI requirement: Not Applicable

#### Objective evidence observed:

Not Applicable

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

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

<ul style="list-style-type: none"> <li>Wages analysis: <a href="#">(Click here to return to Key Information)</a></li> </ul>		
<b>A: Sample Size Checked</b> <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>	A) 10 employees for the month of November 2015 (Current) B) 10 employees for the month of April 2015 (random) C) 10 employees for the month of December 2014 (random)	
<b>B: Are there different legal minimum wage grades? If Yes, please specify all.</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>If Yes, please give details:</b> The local minimum wages of Gujarat state applicable to this facility are as under:  Skilled INR 303.30 per day Semi-skilled INR 294.30 per day Unskilled INR 286.30 per day  The wages are applicable with the effect from 01 <sup>st</sup> October 2015 to 31 <sup>st</sup> March 2016.
<b>C: If there are different legal minimum grades, are all workers graded correctly?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	<b>If No, please give details:</b>

D: What deductions are required by law e.g. social insurance? Please state all types:	Provident Fund, Employee's State Insurance (ESIC), Professional Tax	
E: Have all of these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If <b>Yes</b> , Please list all deductions that have been made: Provident Fund, Employee's State Insurance (ESIC), Professional Tax  If <b>No</b> , please give details on any deductions which have <b>not</b> been made:
F: Industry norm for this region: (please include time period e.g. hour/week/month)	In accordance with Minimum Wages Act 1948, Section 12	

• Wages table <a href="#">(Click here to return to Key information)</a>			
Worker Type	Process Operator (Lowest paid)	Process Operator (Average paid)	Process Operator (Highest paid)
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:			
A: Pay period: (State month selected)	November - 2015	November - 2015	November - 2015
B: <b>Anonymous</b> Employee Reference/Dept.	Helper – A	Tailor – B	Tailor - C
C: Employee Gender	Female	Female	Male
D: Contracted/Standard working hours: (excluding OT – please include time period e.g. hour/week/month)	184 hours per month	192 hours per month	200hours per month
E: Contracted /Standard work pay rate: (excluding OT – please include time period e.g. hour/week/month)	INR 294.40 per day	INR 286.40 per day	INR 294.40 per day
F: Standard day overtime – hours: (please include time period e.g. hour/week/month)	No Overtime performed	No Overtime performed	No Overtime performed
G: Standard day overtime – wage: (please include time period e.g. hour/week/month)	No Overtime performed	No Overtime performed	No Overtime performed

H: Rest day overtime – hours: (please include time period e.g. hour/week/month)	No Overtime performed	No Overtime performed	No Overtime performed
I: Rest day overtime – wage: (please include time period e.g. hour/week/month)	No Overtime performed	No Overtime performed	No Overtime performed
J: Statutory Holiday overtime – hours: (please include time period e.g. hour/week/month)	No Overtime performed	No Overtime performed	No Overtime performed
K: Statutory holiday OT – wages: (please include time period e.g. hour/week/month)	No Overtime performed	No Overtime performed	No Overtime performed
L: Total overtime hours: (please include time period e.g. hour/week/month)	Nil	Nil	Nil
M: Incentives/Bonus/ Allowances etc.: (please include time period e.g. hour/week/month)	Nil	Nil	Nil
N: Gross wages: (please include time period e.g. hour/week/month)	INR 6772 per month	INR 6874 per month	INR 7360 per month
O: Social insurance and other deductions; please list which and amount.	INR 1012 (Provident Fund, Employees State Insurance, Professional Tax)	INR 1026 (Provident Fund, Employees State Insurance, Professional Tax)	INR 1092 (Provident Fund, Employees State Insurance, Professional Tax)
P: Actual wage paid after deduction: (please include time period e.g. hour/week/month)	INR 5760	INR 5848	INR 6268
Comments: (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			
The lowest and highest gross wages were depend on total number of hours worked by the employees.			
Q: Is there a defined living wage: 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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time period: Facility does not have any defined living wage. The employees are being paid in accordance to the govt stipulated minimum wages.		
R: Are workers paid in a timely	<input checked="" type="checkbox"/> Yes		

manner in line with local law?	<input type="checkbox"/> No
S: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:
T: How are workers paid:	<input checked="" type="checkbox"/> Cash – For all the employees <input checked="" type="checkbox"/> Cheque – For employees earning above INR 20.000 <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:

## 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:

10 samples of time & wage records were reviewed for the sampled month of November 2015, April 2015 & December 2014.

#### Working Hours:

Employees work 6 days a week in one shift as mentioned below:

Shift 1 : 8:30 am to 5:30 pm (male's shift)

Shift 2 : 9:00 am to 5:30 am (female's Shift)

Lunch break : 60 minutes staggered

Tea Breaks: 2 Tea breaks of 15 minutes each

Weekly holiday: Wednesday



Facility has maintained (Electronic Show card) for In/Out time recording system for all employees.

#### Wage Calculation:

Salary for employees are fixed on daily rate and monthly rate and paid once in a month. The payment is made by Cheque to employees earning above INR 20,000 & rest cash to all employees. The payment is made to all employees on or before 7<sup>th</sup> of every month.

#### Working hours analysis as follows:

- For November 2015 (Current month), the average working hours of 10 selected samples were 43.20 hours/week. Maximum working hours per week were 48 hours (10 out of 10 selected samples).
- For April 2015 (Random month), the average working hours of 10 selected samples were 41.40 hours/week. Maximum working hours per week were 48 hours (10 out of 10 selected samples).
- For December 2014 (Random month), the average working hours of 10 selected samples were 45.90 hours/week. Maximum working hours per week were 48 hours (10 out of 10 selected samples).

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

- Review of In/out time records for October 2015, April 2015 & January 2015
- Working Hours policy

#### 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:

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

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: Facility has maintained (Electronic Show card) for In/Out time recording system for all employees.		
B: Sample Size Checked (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)	A) 10 employees for the month of November 2015 (Current) B) 10 employees for the month of April 2015 (random) C) 10 employees for the month of December 2014 (random)		
C: Do ALL workers have contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, state which type of workers do NOT have contracts/employment agreements:	
D: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, please state which type of workers do NOT have standard hours defined in contracts/employment agreements.	
E: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Please complete as appropriate: <input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other If "Other", Please define:	
Standard/Contracted Hours worked			
F: Do standard/contracted standard hours ever exceed the law or 48	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES give details and comparison (local law/48 hrs week)	

hours per week?		
G: What are the actual standard/contracted hours worked in sample (State per week/month)	Highest hours:	48.00 hours/week for the sampled month of November 2015 48.00 hours/week for the sampled month of April 2015 48.00 hours/week for the sampled month of December 2014
	Lowest hours:	16.00 hours/week for the sampled month of November 2015 16.00 hours/week for the sampled month of April 2015 16.00 hours/week for the sampled month of December 2014
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	If YES, Please give details
<b>Overtime Hours</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	No Overtime performed for the sampled months of November 2015, April 2015, December 2014
	Lowest OT hours:	No Overtime performed for the sampled months of November 2015, April 2015, December 2014
J: Range of overtime hours over all workers/or as large a sample as possible. (State per week/month and details)	No Overtime performed for the sampled months of November 2015, April 2015, December 2014	
K: Approximate percentage of workers on highest overtime hours	Nil %	
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:
		No Overtime performed
<b>Overtime Premiums</b>		
M: Is overtime paid at a premium?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Please give details of normal day overtime premium as a % of <u>standard</u> 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 type="checkbox"/> 200%+

		Any other comments: No Overtime performed for the sampled months of November 2015, April 2015, December 2014
<p>N: ETI Code requires a prevailing standard to give greatest worker protection.</p> <p>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.</p>	<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 type="checkbox"/> Other	
	Please explain any checked boxes in N above e.g. detail of consolidated pay CBA or Other.	
<b>Rest Days</b>		
<p>O: Are workers provided with 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Maximum number of days worked without a day off (in sample):</p> <p>6 days</p>
<b>Total Hours</b>		
<p>P: Range of total hours: (Quote highest and lowest please include time period e.g. hour/week/month)</p>	Highest total hours	48.00 hours/week for the sampled month of November 2015 48.00 hours/week for the sampled month of April 2015 48.00 hours/week for the sampled month of December 2014
	Lowest total hours	08.00 hours/week for the sampled month of November 2015 24.00 hours/week for the sampled month of April 2015 24.00 hours/week for the sampled month of December 2014
<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 checked="" type="checkbox"/> <b>Overtime is voluntary</b> <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons	
	Please explain any checked boxes in R above	
<p><b>Comments:</b> (please state here any specific reasons/circumstances that explain the highest working hours)</p>		
Based on the In/Out time & wage records verified, No Overtime is performed.		

## 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:

It was noted from review of wage records and employees interview that,

1. Facility does not discriminate its employees in terms of hiring, compensation, access to training, promotion, termination or retirement on the basis of caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation or any others thereof which could lead to discrimination.
2. It was noted from wage records review, the facility provides the same pay for employees performing work of similar nature.

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

- Facility Policy.
- Appointment letter with terms and conditions for 10 out 10 selected samples.
- Salary and other benefit records.
- Interaction with management and Employees

#### 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:

Not Applicable

#### Observation:

Description of observation: None Observed

Objective evidence

<b>Local law or ETI requirement:</b> Not Applicable <b>Comments:</b> Not Applicable	<b>observed:</b> Not Applicable
--	------------------------------------

Good Examples observed:	
<b>Description of Good Example (GE):</b> None Observed	<b>Objective Evidence Observed:</b> 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:

1. Facility did not employ any temporary employees.
2. No apprentices or trainees were employed in the facility.
3. The facility does not avoid paying any benefits to the employees which they are legally entitled to.

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

- Facility Policy
- Appointment letter with terms and conditions for 10 out of 10 selected samples
- Salary and other benefit records.
- Interaction with management and Employees



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

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

Good Examples observed:	
<b>Description of Good Example (GE):</b> None Observed	<b>Objective Evidence Observed:</b> 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 Subcontracting and Home-Working is practised in the facility for any of the manufacturing process/activity

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

- Facility Policy
- Inward and out ward material register.
- Production records
- Interaction with management

#### 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:**

Not Applicable

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

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

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

• Summary of homeworking – if applicable			
<b>F:</b> If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details: Not Applicable		
<b>G:</b> Number of homeworkers	Male: 0	Female: 0	Total: 0
<b>H:</b> Are homeworkers employed direct	<input type="checkbox"/> Directly		

or through agents?	<input type="checkbox"/> Through Agents <input type="checkbox"/> Not Applicable
I: If through agents, number of agents	Not Applicable
J: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
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 type="checkbox"/> No <input type="checkbox"/> Not Applicable
N: Are full records available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable

# 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:

It was noted from interaction with facility management and employees,

- There was no evidence of harsh or inhumane treatment of employees. All workers are treated with respect and dignity.
- Facility's disciplinary policies were verbally explained to all employees and all employees were well aware about their rights.
- No physical abuse or discipline happened in the facility and the disciplinary procedure of the facility is through verbal warning and education.

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

Company Policies on Employee Code of Conduct

### 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:**

Not applicable

### Observation:

**Description of observation:** None observed

#### Objective evidence

**observed:**

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

On the day of audit no immigrant employees or foreign nationals are employed in the facility.

The facility ensures that that they have policy or procedure in place to control agencies regarding compliance to Code 10A1 to 10A3

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

Personnel Files & Interaction with facility management

### 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:

Not Applicable



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

Good examples observed:	
<b>Description of Good Example (GE):</b> None observed	<b>Objective Evidence Observed:</b> 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:

1. It was noted from tour of the facility, Safety, Health & Environmental Policy is displayed, which commits to continually improve the performance of environmental issues.
2. Facility has obtained the applicable No Objection Certificate from the pollution Control Board.
3. Facility has obtained Pollution Consent for Air and Noise (Consent No –AWH – 17657) valid up to 03/06/2020.
4. Air Ambient test conducted on 07<sup>th</sup> May 2015 from external agency Technique Engineers & Consultant.
5. Noise monitoring test conducted on 07<sup>th</sup> May 2015 from external agency Technique Engineers & Consultant.
6. Stack monitoring test conducted on 07<sup>th</sup> May 2015 from external agency Technique Engineers & Consultant.

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

Review of health & Safety policies

Pollution consent from Gujarat Pollution control board.

Non-compliance:	
<p><b>1. Description of non-compliance:</b></p> <p><input checked="" type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local</p> <p>It was noted from management interaction and document review that current name of the facility is Pearl Bag Factory LLP, however obtained pollution consent is in the old name of Pearl Exports.</p> <p><b>Local law and/or ETI/Additional Elements requirement:</b> In accordance with (Prevention and Control of Pollution) Air 1981, Section 21 (1).</p> <p>In accordance with Water (Prevention and Control of Pollution) Act 1974, Section 25 (1).</p> <p><b>ETI 10B4.1</b> Suppliers as a minimum should meet the requirements of local and national laws related to environmental standards.</p> <p><b>Recommended corrective action:</b> Facility shall follow up with the concern authority and obtain the consent with the current facility name at the earliest.</p>	<p><b>Objective evidence observed:</b> Review of Records</p>

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

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

<b>• Environmental Analysis</b> <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):	Mr Tushar Vora – Manager - Admin	
B: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:	
C: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria )</i>	<input checked="" 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 checked="" 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 checked="" type="checkbox"/> No Details:	
F: Have all legally required permits been shown? Please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:	
G: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" 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 checked="" type="checkbox"/> No Details:	
<b>• Usage/Discharge analysis</b>		
Criteria	Current year: Please state period: April 2014 – March 2015	Previous Year: Please state period: April 2013 – March 2014
Electricity Usage: <i>Kw/hrs</i>	149931 KWH	124003 KWH
Renewable Energy Usage: <i>Kw/hrs</i>	Nil	Nil
Gas Usage: <i>Kw/hrs</i>	1503 Kgs	1432 Kgs
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please state result		

Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	GIDC / RMC Water supply	GIDC Water supply
Water Volume Used: (m <sup>3</sup> )	5000 litres per day	5000 litres per day
Water Discharged: <i>Please list all receiving waters/recipients.</i>	GIDC Drainage – 4550 litres & Gardening – 450 litres	GIDC Drainage – 4450 litres & Gardening – 550 litres
Water Volume Discharged: (m <sup>3</sup> )	Boilers 100 litres per day	Boilers 100 litres per day
Water Volume Recycled: (m <sup>3</sup> )	Nil	Nil
Total waste Produced <i>(please state units)</i>	10460 Kgs	2466 kgs
Total hazardous waste Produced: <i>(please state units)</i>	Nil	Nil
Waste to Recycling: <i>(please state units)</i>	Nil	Nil
Waste to Landfill: <i>(please state units)</i>	Nil	Nil
Total Product Produced <i>(please state units)</i>	2692274 Bags	2398196 Bags

### 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:

1. Based from the interaction with management, it was noted that facility is aware of the client’s business practice standards.
2. Facility has documented a Business Practices policy concerning bribery, corruption, or unethical Business Practice and is clearly communicated to all relevant parties (Employees & Suppliers).
3. Mr. Tushar Vora Manager - Admin is responsible for compliance.
4. The SAQ was completed by the site and reviewed prior to the audit.
5. There is no current local legislation. However, based from the interaction with the facility management, all employees are aware of the business code of principles.

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

- 1) ETI Base code
- 2) Review of Work orders and agreements with suppliers

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

Good examples observed:	
<b>Description of Good Example (GE):</b> None Observed	<b>Objective Evidence Observed:</b> 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: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria)	1 group of 04 employees	
D: Number of individual interviews (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 02	Female: 02
E: Total number of interviewed workers (Please see SMETA Best Practice Guidance and Measurement Criteria)	Male: 06	Female: 04
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?	None Observed	
I: What did the workers like the most about working at this site?	Based from employee's interview, all of them were favourable with the management and facility environment and no negative information was reported. Overall they displayed a positive attitude towards the management and the workplace.	
J: Any additional comment(s) regarding interviews:	None	
K: Attitude of workers to hours worked:	Positive attitude towards the management and the workplace	

### Agency Workers (if applicable)

(workers sourced from a local agent who are not directly paid by the site)

A: Number of agencies used	Not Applicable as no contract employees were hired at the facility
----------------------------	--

(average):	
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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)*

None Observed





## Photo Form

### General Photos:

		
Facility Main Gate	Facility Name Board	Emergency Numbers Display
		
Law Abstracts Display	Notice Board Display (Child Labour Policy, Minimum wages display)	Shift Timing Display
		
Electronic Attendance Recording Machine	Fire Extinguishers	Fire Alarm

		
Emergency Assembly Point	Evacuation Plan Display	Exit Signage
		
Emergency Exit Signage	Aisle Marking	Emergency Exit door opening in outwards direction
		
First Aid Box	Finger Guard on machine	Cutting Section

		
First Aid Kit Content	Curing Area	Raw Material Storage
		
Employees with PPE Usage	Printing Area	Suggestion Box
		
Finished Goods Area	Baby Boiler	Stitching Area on First Floor

		
Employees with Face Mask in Stitching area	DG Set	DG Stack Height adequate
	NA	NA
Drinking Water Point		



**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](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](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRqIY_2brq_3d_3d)

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or email [auditing@sedexglobal.com](mailto:auditing@sedexglobal.com)

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(1)



Veerakumar S

Language ()

Help ()

Log out ()

## SEDEX ADVANCE

Intertek India

## Audit ZAA3590300 - View Findings

## NON-COMPLIANCES

ISSUE NUMBER: ZAF3590356

**Type**

Non Compliance

**Due Date**

22/01/2016

**Verification Method**

Desktop

**Status**

Verified

**Issue Title**

No testing of water for potability

**Description**

It was noted from interaction with facility management that facility has conducted potability test for drinking water from external agency but not as per IS 10500 standards

**Corrective Actions**

We have done Drinking Water Portability Test as IS10500 Standards

[View](#)

ISSUE NUMBER: ZAF3590357

**Type**

Non Compliance

**Due Date**

22/01/2016

**Verification Method**

Desktop

**Status**

Verified

**Issue Title**

No regular evacuation drills appropriate to the risk 🚩

**Description**

It was noted from the review of records and interaction with the management, fire fighting drills are not conducted as per requirement (Once in two months), and it was observed from review of records drill is conducted once in 4 months

**Corrective Actions**

We have conducted Fire Fighting Drill on 31/12/2015 Before that Drill was Conducted on 28/11/2015 and Will Conduct once in every period of 2 Months.

ISSUE NUMBER: ZAF3590358

**Type**

Non Compliance

**Due Date**

22/02/2016

**Verification Method**

Desktop

**Status**

Verified

**Issue Title**Security at site | **Description**

It was noted from the review of records and interaction with the management 01 – Mini Baby boiler and 01 – Air compressor has been inspected on 19/12/2014 externally. As per the requirement periodic inspection has not been carried out once in 6 months

**Corrective Actions**

We have conducted Inspection of Mini Baby Boiler and Air Compressor on 29/12/2015 and Next will do after Six Months

**Reject Reason(s)**

REASON	DATE
Attachment Missing	21/01/2016 10:28AM

ISSUE NUMBER: ZAF3590359

**Type**

Non Compliance

**Due Date**

22/02/2016

**Verification Method**

Desktop

**Status**

Verified

**Issue Title**

Availability of relevant permits for use and disposal of resources eg. water; air emissions etc. |

**Description**

It was noted from management interaction and document review that current name of the facility is [REDACTED] however obtained pollution consent is in the old name of [REDACTED]

**Corrective Actions**

We have submitted Letter to Gujarat Pollution Control Board to endorse the Certificate. Will upload the Endorsed Certificate once received.

ISSUE NUMBER: ZAF3590355

**Type**

Non Compliance

**Due Date**

22/01/2016

**Verification Method**

Desktop

**Status**

Verified

**Issue Title**No; or no adequate; functioning; maintained; emergency lighting | **Description**

It was noted from the tour of the facility emergency lights were not installed in the facility

**Corrective Actions**

We have ordered the Industrial Grade Emergency Light. Shall Install as soon as we receive. [View](#)

We have Installed Industrial Grade Emergency Light. Photographs of the same enclosed [View](#)

We have Installed Industrial Grade Emergency Light in all Departments. Attached Photographs of the same [View](#)

Copy of order Attached [View](#)

Attached Evidence as required [View](#)

**Reject Reason(s)**

REASON	DATE
Evidence not matching	20/02/2016 5:30PM

OBSERVATIONS



## GOOD EXAMPLES

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US/Canada Helpdesk tel. +1 888 487 6146