




# Sedex Members Ethical Trade Audit Report

Version 6.0



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**Audit Details**

Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1073686	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1018927
Business name (Company name):	Orange International		
Site name:	Orange International		
Site address: <i>(Please include full address)</i>	A-85, Sector-57, Noida UP.	Country:	INDIA
Site contact and job title:	MR. Manoj Kumar (Manager HR & Admin)		
Site phone:	+91 8826558416	Site e-mail:	manoj@orangeinternational.net
SMETA Audit Type:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Business Ethics this was not audited
Date of Audit:	29.07.2017		
 <a href="http://www.sai-china.net">http://www.sai-china.net</a>		<b>Orange International</b>	

**Audit Conducted By**

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

## Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.0 April 2017 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.
- (2) The audit scope was against the following reference documents
  - 2-Pillar SMETA Audit**
    - ETI Base Code
    - SMETA Additions
      - Universal rights covering UNGP
      - Management systems and code implementation
      - Responsible Recruitment
      - Entitlement to Work & Immigration
      - Sub-Contracting and Home working
  - 4-Pillar SMETA**
    - 2-Pillar requirements plus
    - Additional Pillar assessment of Environment
    - Additional Pillar assessment of Business Ethics
    - The Customer's Supplier Code (Appendix 1)
- (3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non compliances on both the audit report, CAPR and on Sedex.
- (4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.



## SMETA Declaration

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

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

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

Auditor Team (s) (please list all including all interviewers): **Ramamurthy Ramesh**

Lead auditor: **Mr. Ramamurthy Ramesh**

Team auditor: **N/A**

Interviewers: **Mr. Ramamurthy Ramesh**

Report writer: **Mr. Ramamurthy Ramesh**

Report reviewer: **Ms. Lena Zheng**

Date of declaration: **29.07.2017**

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

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

## Non-Compliance Table

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			NC Findings Only <i>(note to auditor, summarise in as few words as possible NC's only)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>				•
0B <a href="#">Management systems and code implementation</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3			<ol style="list-style-type: none"> <li>1. It was observed during documents review that company has not provided ETI training to workers.</li> <li>2. It was observed during documents review that company has not communicated ETI base code to it supply chain.</li> <li>3. It was found that the "Factory License" for the year 2017 has not been renewed.</li> </ol>
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• •
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				• •
3. <a href="#">Safety and Hygienic Conditions</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				•
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				•

5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				.
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				.
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				.
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				.
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				.
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				.
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				.
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				.

10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
General observations and summary of the site:										

\*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.



## Site Details

Site Details	
A: Company Name:	Orange International
B: Site name:	Orange International
C: Applicable business and other legally required licence numbers and documents for example, business license no, liability insurance, any other required government inspections	A) Factory Licence No – On the day of audit that was applied for renewal. B) Fire NOC No. Renew/CFO/GBN-16/2314. Issued as on 22.09.2016. C) Air & Water Consent No- Air Consent No-2997/C/O-76/17, Valid until 31.12.2019, obtained from UP Pollution Control Board. & Water Consent No- 2996/C/O-76/17, Valid until 31.12.2019, obtained from UP Pollution control board. E) Building Plan Lay Out No- 312, Approved by Deputy Director of factory, UP as on 17.01.2012. F) Drinking water test report no- EKO/EV-WA/001/140916, Report Issue date 19.09.2016, Obtained from EKO PRO ENGINEERS PVT. LTD. G) Building Stability Certificate- Obtained from Sandeep Chauhan, B.E (Civil), Structural Engineer. H) ESIC Code No- 67000510120000199, Obtained from Concern Dept. I) EPF Code No- MRNOI/0055637/000, Obtained from Concern Dept.
D: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Manufacturer of Embroidery & Beaded ladies garment.

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<p>E: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)</p>	<p>Orange International is situated at A-85, Sector-57, Noida, UP, India since 2012. The main manufacturing facilities include Raw Material Storage, Sampling, Cutting, Stitching, Finishing, Checking, Packing &amp; Dispatch. The Company has a suitable storage to preserve the incoming &amp; finished goods. The factory has total area of 1216 Sq. Meter. The building has 4 floors for production which are as described Ground Floor has Fabric &amp; Accessories Store &amp; Finishing, First Floor has Embroidery, Showroom &amp; Office area. Second floor has Cutting &amp; Stitching, Third floor has Sampling, washing &amp; canteen.</p> <table border="1" data-bbox="644 528 1469 945"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Ground Floor</td> <td>Fabric &amp; Accessories Store &amp; Finishing</td> <td></td> </tr> <tr> <td>First Floor</td> <td>Embroidery, Showroom &amp; Office area</td> <td></td> </tr> <tr> <td>Second Floor</td> <td>Cutting &amp; Stitching</td> <td></td> </tr> <tr> <td>Third floor</td> <td>Sampling, washing &amp; canteen.</td> <td></td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td></td> </tr> </tbody> </table>	Production Building no	Description	Remark, if any	Ground Floor	Fabric & Accessories Store & Finishing		First Floor	Embroidery, Showroom & Office area		Second Floor	Cutting & Stitching		Third floor	Sampling, washing & canteen.		Is this a shared building?	No	
Production Building no	Description	Remark, if any																	
Ground Floor	Fabric & Accessories Store & Finishing																		
First Floor	Embroidery, Showroom & Office area																		
Second Floor	Cutting & Stitching																		
Third floor	Sampling, washing & canteen.																		
Is this a shared building?	No																		
<p>F: Site function:</p>	<p> <input type="checkbox"/> Agent  <input checked="" type="checkbox"/> Factory Processing/Manufacturer  <input type="checkbox"/> Finished Product Supplier  <input type="checkbox"/> Grower  <input type="checkbox"/> 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                 </p>																		
<p>G: Month(s) of peak season: (if applicable)</p>	<p>November to March</p>																		
<p>H: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>	<p>Store, Sampling, Cutting, Stitching, Finishing, Packing &amp; Dispatch.</p>																		
<p>I: What form of worker representation / union is there on site?</p>	<p> <input type="checkbox"/> Union (name)  <input checked="" type="checkbox"/> Worker Committee                 </p>																		

	<input type="checkbox"/> Other (specify) <input type="checkbox"/> None
J: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
K: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes approx. % of workers in on site accommodation
L: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes approx. % of workers
M: Were the site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, please give details

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:00 AM Day 1 Time out: 05:30 PM	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
B: Number of Auditor Days Used:	1 Auditor 1 Day.		
C: 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		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:      weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, why not; <b>Did not provide by company.</b>		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Manoj Kumar (Manager HR & Admin)		
H: Is further information available (if Y please contact audit company for details)	<input type="checkbox"/> Yes <input type="checkbox"/> No		
I: Previous audit date:	NA		
J: Previous audit type:	NA		
K: Was any previous audit reviewed during this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management		Worker Representatives			
	Senior management		Worker Committee representatives		Union representatives	
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	

<p>D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i></p>	<p>NA</p>
<p>E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i></p>	<p>NA</p>

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## Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	72	0	2	0	0	0	0	74
Worker numbers – female	15	0	0	0	0	0	0	0
Total	87	0	2	0	0	0	0	89
Number of Workers interviewed – male	10	0	0	0	0	0	0	10
Number of Workers interviewed – female	0	0	0	0	0	0	0	0
Total – interviewed sample size	10	0	0	0	0	0	0	10

A: Nationality of Management	Indian
B: Majority nationality of workers	Main countries: Country 1: Indian                      approx % total workforce 100 % Country 2: _____                approx % total workforce _____ Country 3: _____                approx % total workforce _____
C: Worker remuneration (management information)	_____% workers on piece rate _____% hourly paid workers 100 % salaried workers  Payment cycle: _____% daily paid _____% weekly paid 100 % monthly paid _____% other – please give details

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	1 x 4 Persons in Group.
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 06   Female: 04
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If N, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	Not Anything.
I: What did the workers like the most about working at this	On time Salary.

site?	
J: Any additional comment(s) regarding interviews:	NA
K: Attitude of workers to hours worked:	Good.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please give details:	
M: Attitude of workers: <i>(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</i>	
Most of the workers found happy since they got on time salary and they have living in the close vicinity of the factory thus easy to commute.	
N: Attitude of worker's committee/union reps: <i>(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</i>	
Worker Representative is cooperative towards staff and workers and listens to their problems, if any.	
O: Attitude of managers: <i>(Include attitude to audit, and audit process. Both positive and negative information should be included)</i>	
Workers informed all of the reported grievances are addresses properly.	

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

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

#### 0.A. Guidance for Observations

- 0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
- 0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights
- 0.A.3 Businesses shall identify their stakeholders and salient issues.
- 0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
- 0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
- 0.A.6 *Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.*

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

#### Current Systems and Evidence Examined

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

**Current systems:** Company has policy which is endorsed at the highest level, covering human rights impacts and issues and it is also communicated to all appropriate parties, including its own suppliers.

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

Details: Policies/ Procedure and worker interview etc.

Any other comments: NIL

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please give details: They have implemented policy covering human rights impacts and issues, and it is communicated to all appropriate parties, including its own suppliers.</p>
<p>B: Does the business have a designated person responsible for implementing standards</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>

concerning Human Rights?	Please give details: Name: Mr. Manoj Kumar Job title Manager HR & Admin.
C: Does the businesses have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The factory has system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter; thus committing transparent system. This can be circulated through suggestion boxes/ circular/ emails etc.
D: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Yes; the business demonstrate effective data privacy procedures for workers' information as all such documents are kept in lock and key with HR Department only.

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

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



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## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	Last year: 3 %	This year 3 %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	2 %	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year / 2] * number available workdays in the year	Last year: 11 %	This year 09 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month	4 %	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: All major/ minor accidents are recorded in "Accident Register".	
F: Annual Number of work related accidents and injuries per 100 workers: [Number of work related accidents and injuries * 100] / Number of total workers]	Last year: 2016 Number: 0	This year: 2017 Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [Number of work related accidents and injuries * 100] / Number of total workers]	0	0
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	Last year: 0 Days	This year: 0 Days
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months 0 % workers	12 months 0 % workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months 0% workers	12 months 0 % workers

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**OB: Management system and Code Implementation**

[\(click here to return to NC Table\)](#)

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

**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. Description of non-compliance:** It was observed during documents review that company has not communicated ETI base code to it supply chain.

NC against ETI/Additional Elements  NC against Local Law

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

**Recommended corrective action:**

Company has not communicated ETI base code to it supply chain.

**2. Description of non-compliance:** It was observed during documents review that company has not provided ETI training to workers.

NC against ETI/Additional Elements  NC against Local Law

**Local law and/or ETI requirement:** - 0.3 Suppliers are expected to communicate this Code to all employees.

**Recommended corrective action:**

Company should provide ETI base code training to all workers.

**2. Description of non-compliance:** It was noted through document review, that the factory has not obtained valid business license for year 2017.

NC against ETI/Additional Elements  NC against Local Law: : According to Factories act 1948 Sec 7 (1) The occupier shall, at least 15 days before he begins to occupy or use any premises as a factory, send to the chief inspector a written notice containing the (a) name and situation of factory (b) name and address of the occupier (bb) name and address of the owner of the premises (c) address to which communicating may be sent (d) nature of manufacturing process.

**Recommended corrective action:** It is recommended to the factory to obtain valid business license for year 2017.

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

Details: Document Check. Company has defined Social Policy & Code of conduct. Notice board at factory entrance and at production area. Management review & Interview with workers.

Any other comments: NIL

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: No, the site not had been subject to any fines/prosecutions for non-compliance to any regulation.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Yes; they have several such policies in place.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Through training etc.
D: 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: Yes; managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: All workers have been trained on such issues and were properly able to answer when asked.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe:
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Yes; the company has full fledged HR department.
H: Is there a senior person /manager responsible for implementation of the Code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Yes; HR Manager takes care of such program.



I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Yes; they have confidentiality policy in place.
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Yes; they have confidentiality policy in place.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Yes; company has done risk assessment as per nature of processes.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Yes; company removes such problems during implementation.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: NA
<b>Land rights</b>	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The factory has obtained all legal licenses such as factory license; fire NOC etc.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Yes; site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, how does the company obtain FPIC:
Q: Is there evidence that facility site compensated the owner/lessor for the land prior to the facility being built or expanded. Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:
R: Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:

minimize adverse impacts Please give details.	
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:

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

Observation:	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

Good Examples observed:	
<p>Description of Good Example (GE):</p>	<p><b>Objective evidence observed:</b></p>

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**1: Freely Chosen Employment**

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

**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: The factory does not engage any forced or bonded labour. In India no prison labour is engaged outside the prison according to the law. Nothing identified during audit. Factory also does not keep any original documents from the workers, confirmed by the interviewed workers. Workers are free to leave their employer at any time giving required notices.**

**Evidence examined – On site tour/ verification/ Worker interview. Nothing identified during audit. Factory also does not keep any original documents from the workers. Workers are free to leave their employer at any time giving required notices. Same has been verified during workers interview.**

Details:

Any other comments:

<p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  If Yes please give details and category of workers affected</p>
<p>B: Is there any evidence of a loan scheme in operation</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  If yes please give details and category of worker affected</p>
<p>C: Is there Any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  If yes please give details and category of worker affected</p>
<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  Please describe finding:</p>

<p>E: If any part of the business is UK based / registered &amp; turnover is 36m+ there is a requirement to publish a 'modern day slavery statement.' F: Is there a modern day slavery statement published</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please describe finding:</p> <p><input checked="" type="checkbox"/> Not applicable</p>
<p>G: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please describe finding:</p>
<p>H: Does the site understand the risks of forced / trafficked / bonded labour in it's supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes please give details and category of workers affected: Yes; the site understand the risks of forced / trafficked / bonded labour in it's supply chain. No workers (within company and its sub chain) are affected.</p> <p><input type="checkbox"/> Not applicable</p>
<p>I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe finding: The company provides training related to forced trafficked labour.</p>

**Non-compliance:**

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

Good Examples observed:	
<p><b>Description of Good Example (GE):</b></p>	<p><b>Objective evidence observed:</b></p>

**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: Workers Committee is available in the factory which meets quarterly, last meeting done 08.06.2017 and complaint / suggestion boxes have been placed inside the factory. The workers could complain to their supervisors directly or through their worker representative, although the suggestion box was available in the factory for collecting workers' appeals.**

**Evidence examined – Personal files, Committee Records and Worker interview. Workers had formed a committee & last meeting record dated 08.06.2017 verified. At present Mr. Ramesh is elected as Worker Representative. Workers can raise their voice through complaint box also.**

Details: On site tour/ verification/ Worker interview. Nothing identified during audit. Factory also does not keep any original documents from the workers. Workers are free to leave their employer at any time giving required notices. Same has been verified during workers interview.

Any other comments: NIL

A: What form of worker representation/union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Is there any other form of	<input checked="" type="checkbox"/> Yes

effective worker/management communication channel? (Other than union/worker committee) e.g. H&S, sexual harassment	<input type="checkbox"/> No Describe: Yes; through notice board; Circular etc.  Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Yes; the supplier provide adequate facilities to allow the Union or committee to conduct related business by choosing "Worker Representative" by election.	
F: Name of union and union representative, if applicable:	NA	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If no union what is parallel means of consultation with workers e.g. worker committees?	Worker Representative.	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date of last election: 17.01.2017
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , please state how many: 1 WR was interviewed.	
L: State any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	During summer the issue of non availability of cold water was raised to management through WR and the same was resolving after company provided chilled water in dispenser to workers.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
N: If <b>Yes</b> what percentage by trade Union/worker representation	____% workers covered by Union CBA	____% workers covered by worker rep CBA
O: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

**Non-compliance:**

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

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

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

**Recommended corrective action:**

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

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

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

**Recommended corrective action:**

**Objective evidence observed:**

*(where relevant please add photo numbers)*

**Observation:**

**Description of observation:**

**Local law or ETI requirement:**

**Comments:**

**Objective evidence observed:**

**Good Examples observed:**

Description of Good Example (GE):

**Objective evidence observed:**

**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:** The factory has installed fire extinguisher, first aid facility, working environment (lighting, ventilation, temperature etc), potable water .Based on workers and management interview, the factory had provided appropriate safety training to workers. And the factory provided relevant records for review. Mr. Vijay Pal Singh is responsible for H&S issues in the factory. There were 3 trained first aiders at the factory. The factory had established health and safety policy. Kept accident records in files. Last meeting of Health & Safety is done on 20.05.2017.

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

Details: Factory tour & records of various training. (Meeting record/Water Test records/ Fire Training Records/ First aid training records etc.).

Any other comments: NIL

<p>A: Does the facility have general Health &amp; Safety and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Details: Yes; the facility has communicated to workers like OHS and work related training.</p>
<p>B: Are the policies included in worker's manual?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Details: Yes; the same is given to workers during training/</p>

	induction.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: NA
D: Are visitors to the site informed on H&S and provided with personal protective equipment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: NA at this factory.
E: Is a medical room or medical facility provided for workers?  If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No as it is not required on employee strength available as per Indian Law, but management has provided Medical Boxes with sufficient content under Trained first aider. Details: NA at this factory.
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No as it is not required on employee strength available as per Indian Law, but management has provided Medical Boxes with sufficient content under Trained first aider Details: NA at this factory.
G: Where facility provides worker transport - it is fit for purpose, safe and maintained and operated by competent persons e.g. buses and other vehicles	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: NA at this factory as the company does not provide any transportation to workers.
H: Secure personal storage space is provided for workers in their living space and is fit for purpose	<input type="checkbox"/> Yes <input type="checkbox"/> No Details: NA at this factory as company does not provide accommodation to workers.
I: H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and there are controls	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Risk Assessment covers such all areas.



to reduce identified risk	
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe; company has got air and water consent obtained from pollution department.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe; Yes the company meets all environmental standards and they have also listed out details of "Banned Chemicals" should are forbidden by law.

**Non-compliance:**

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input checked="" type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement</b></p> <p><b>Recommended corrective action:</b></p> <p><b>2. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b></p>
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**Observation:**

<p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b></p>
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**Good Examples observed:**

<p>Description of Good Example (GE):</p>	<p><b>Objective Evidence</b></p>
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	<b>Observed:</b>
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**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: Factory does not engage workers below 18 years and no child or young worker has been identified during audit. Factory checks the age before recruitment by the doctor and maintains age related documents in the workers' personnel files.**

**Evidence examined – No child or young employees were found during audit. Personal files were checked and worker interview done.**

Details: There is no recruitment of child labour. Company has made policies and procedures for not hiring "Child Labour" in the facility and its supply chain.

Any other comments: NA

A: Legal age of employment	18 Years.
B: Age of youngest worker found:	19 Years.
C: Children present on work floor but not working at time of audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	ZERO %
E: Workers under 18 subject to hazardous work assignments? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Y give details

**Non-compliance:**

<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p> <p><b>2. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p>
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<b>Observation:</b>	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

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

**5: Living Wages are Paid**

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

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

**ETI**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems: Company has provided wages record for last one year. Workers confirmed of no overtime so far. Workers are paid on monthly basis. The factory disperses wages on or before 7th of every month through majority of workers through cash. Company provides salary slips to workers for verifying their wages. The factory provided paid annual leave, paid holiday wage for workers and provide PF; E.S.I.**

**Evidence examined – Wage records/ Salary slips/PF & ESI Challans and worker interview.**

Details: Wages and benefits paid for a standard working week meet. Wages are enough to meet basic needs and to provide some discretionary income.

Any other comments: NA

**Non-compliance:**

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

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

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

**Recommended corrective action:**

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

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

**Objective evidence observed:**

(where relevant please add photo numbers)

<b>Local law and/or ETI requirement:</b>	
<b>Recommended corrective action:</b>	

<b>Observation:</b>	
<b>Description of observation:</b> <b>Local law or ETI requirement:</b> <b>Comments:</b>	<b>Objective evidence observed:</b>

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

### Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 8 hours per day 48 hours per week	8 hours per day 48 hours per week	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 2 hours per day 12 hours per week	NA	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: INR7400.46	INR 7401	<input type="checkbox"/> Yes <input type="checkbox"/> No
E: overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: 200 %	NA	<input type="checkbox"/> Yes <input type="checkbox"/> No

<b>Wages analysis:</b> <a href="#">(Click here to return to Key Information)</a>		
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
B: If <b>No</b> , why not?	N/A	
C: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	10 wage records were checked/ reviewed/ verified from December 2016; April 2017 and June 2017.	
D: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If <b>Yes</b> , please give details:  Rs 7400.46/- month applicable for Un skilled  Rs 8140.51/- month applicable for Semi skilled – Category  Rs 9118.66/- month applicable for Skilled – Category
E: If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	If <b>No</b> , please give details:
F: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	Lowest Wages found: Note: full time employees and please state hour / week / month etc.	Please indicate the breakdown of workforce per earnings:
	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	_0_ % of workforce earning under min wage _0_ % of workforce earning min wage _100_ % of workforce earning above min wage
G: Bonus (amount specify)	Bonus Scheme found: Note: full time employees and please state hour / week / month etc.	
H: What deductions are required by law e.g. social insurance? Please state all types:	ESIC & EPF.	
I: Have these deductions been made? Please list all deductions that	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If <b>Yes</b> , Please list all deductions that have been made: Provident Fund & ESi.



have/have not been made.	If No, please describe	If No, please give details on any deductions which have <b>not</b> been made:
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:	
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered Yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time:	
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details:	
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:	Periodic review of wages are done/ calculated once per year during April month. All such increments etc. are done based on performances etc.
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:	
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:	

**Wages table**

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

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)	June 2017	June 2017	June 2017
B: <b>Anonymous</b> Employee Reference/Dept.	0747	0584	0716
C: Employee Gender	F	M	M
D: Contracted/Standard working hours: (excluding OT – please include time period e.g. hour/week/month)	Std 200 hrs/month	Std 200 hrs/month	Std 200 hrs/month
E: Contracted /Standard work pay rate: (excluding OT – please include time period e.g. hour/week/month)	7415 /month	9500 / month	10500/month
F: Standard day overtime – hours: (please include time period e.g. hour/week/month)	0	0	0
G: Standard day overtime – wage: (please include time period e.g. hour/week/month)	0	0	0
H: Rest day overtime – hours: (please include time period e.g. hour/week/month)	0	0	0
I: Rest day overtime – wage: (please include time period e.g. hour/week/month)	0	0	0
J: Statutory Holiday overtime – hours: (please include time period e.g. hour/week/month)	0	0	0
K: Statutory holiday OT – wages: (please include time period e.g. hour/week/month)	0	0	0
L: Total overtime hours: (please include time	0	0	0

<i>period e.g. hour/week/month</i>			
M: Incentives/Bonus/ Allowances etc.: <i>(please include time period e.g. hour/week/month)</i>	Bonus given once in a year as rate of minimum 8.33 % of yearly salary given	Bonus given once in a year as rate of minimum 8.33 % of yearly salary given	Bonus given once in a year as rate of minimum 8.33 % of yearly salary given
N: Gross wages: <i>(please include time period e.g. hour/week/month)</i>	1730/month	9500 / month	10500/month
O: Social insurance and other deductions; please list which and amount.	Rs. 208 (PF 12% applicable up to Rs 15000) & Rs.31 (ESI 1.75% applicable up to Rs 21000)	Rs. 1020 (PF 12% applicable up to Rs 15000) & Rs. 167 (ESI 1.75 % applicable up to Rs 21000)	Rs.1140 (PF 12% applicable up to Rs 15000) & Rs. 184 (ESI 1.75 % applicable up to Rs 21000)
P: Actual wage paid after deduction: <i>(please include time period e.g. hour/week/month)</i>	1491 for 07 days	8313 for 30 days	9176 for 30 days
<b>Comments:</b> (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)			

**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: The Factory is running in single shift. The timing is 09.00 AM to 05.30 PM, with lunch break of an hour. Factory only engages workers for overtime work when there is an urgency of shipment. Workers also conformed during interaction that overtime is voluntary. However they confirmed of no overtime done during last 12 months. Workers are getting day off on Sunday as weekly holiday. Factory maintains time records electronically.**

**Evidence examined – Wage Record/ Attendance/ Muster roll etc.**

Details: Working hours comply with national law.

Any other comments: NA

**Non-compliance:**

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

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

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

**Recommended corrective action:**

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

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

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

**Recommended corrective action:**

**Objective evidence observed:**

(where relevant please add photo numbers)

**Observation:**

**Description of observation:**

**Local law or ETI requirement:**

**Comments:**

**Objective evidence observed:**

**Good Examples observed:**

**Description of Good Example (GE):**

**Objective Evidence Observed:**

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<b>Working hours' analysis</b> Please include time e.g. hour/week/month <a href="#">(Go back to Key information)</a>													
<b>Systems &amp; Processes</b>													
A. What timekeeping systems are used: time card etc.	Describe: <i>Manual.</i>												
B: Is sample size same as in wages section	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If N, please give details												
C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Details:												
D: 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: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 25%; padding: 5px;"><input type="checkbox"/> 0 hrs</td> <td style="width: 25%; padding: 5px;"><input type="checkbox"/> Part time</td> <td style="width: 25%; padding: 5px;"><input type="checkbox"/> Variable hrs</td> <td style="width: 25%; padding: 5px;"><input type="checkbox"/> Other</td> </tr> <tr> <td colspan="4" style="padding: 5px;">If "Other", Please define:</td> </tr> <tr> <td colspan="4" style="height: 20px;"></td> </tr> </table>	<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other	If "Other", Please define:							
<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other										
If "Other", Please define:													
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Y please %detail hours, % and types of workers & affected and frequency Details: <i>Only occasionally due to urgency of shipment.</i>												
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; padding: 5px;">                             Please select all applicable:  <input checked="" type="checkbox"/> 1 in 7 days  <input type="checkbox"/> 2 in 14 days  <input type="checkbox"/> No                              If 'No', please explain:                         </td> <td style="width: 40%; padding: 5px;">                             Is this allowed by local law?  <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                         </td> </tr> <tr> <td colspan="2" style="padding: 5px;">                             Maximum number of days worked without a day off (in sample):                         </td> </tr> </table>	Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Maximum number of days worked without a day off (in sample):									
Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:	Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No												
Maximum number of days worked without a day off (in sample):													



<b>Standard/Contracted Hours worked</b>		
G: Standard working hours over 48 per week found	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, % of workers & frequency
H: Any local waivers/local law or permissions which allow averaging/annualise d hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please give details
<b>Overtime Hours worked</b>		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: <b>N/A</b>	
J: Combined hours (standard/contracted plus= total) 60 found?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours	<b>N/A</b> %	
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:
<b>Overtime Premiums</b>		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	Please give details of normal day overtime premium as a % of <b>standard</b> wages:
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, please describe % of workers & frequency:
O: ETI Code requires a prevailing standard to give greatest worker protection.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (Maybe standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements	



<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 type="checkbox"/> Other
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.</p>	<input 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 specify)
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please describe
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Please explain any checked boxes above e.g. detail of consolidated pay CBA or Other	
Please explain any checked boxes above	

**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: There was no evidence of discrimination in employment, promotion, compensation, welfare, dismissal, and retirement found.**

**Evidence examined – Personal files/ wage record and worker interview.**

Details: 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 found to be practised in the company.

Any other comments: NA

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 80 % Female: 20 %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst	#: 15 Female.
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement

**Professional Development**

A: What type of training and development are available for workers?	Fire Fighting Training, PPE Training etc.
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<p>B: Are HR decisions on e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please give details:</p>
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Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p><b>2. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p><b>Objective evidence observed:</b>                      (where relevant please add photo numbers)</p>

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

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

Description of Good Example (GE):

**Objective Evidence Observed:**

**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.

**Additional Elements: Responsible Recruitment**

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.  
 8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.  
 8.5 Employment agencies must only supply workers registered with them.  
 8.6 Workers pay no recruitment fee at any stage of the recruitment process.  
 8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

**Current Systems and Evidence Examined**

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

**Current systems: Company do not any use any sub-contractor & home workers for production.**

**Evidence examined – Factory does not engage workers through Subcontractor and no immigrant worker have been engaged by the factory.**

Details: Suppliers has understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

Any other comments: NA

**Non-compliance:**

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

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

**Responsible Recruitment**

<b>All Workers</b>	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms &amp; Conditions presented  <input checked="" type="checkbox"/> Understood by workers  <input checked="" type="checkbox"/> Same as actual conditions</p> <p>If any are unchecked, please describe finding and specific category(ies) of workers affected:</p>

<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  If Yes Please describe details and specific category(ies) of workers affected</p>
<p>C: If yes, check all that apply:</p>	<p><input type="checkbox"/> Recruitment / hiring fees  <input type="checkbox"/> Service fees  <input type="checkbox"/> Application costs  <input type="checkbox"/> Recommendation fees  <input type="checkbox"/> Placement fees  <input type="checkbox"/> Administrative, overhead or processing fees  <input type="checkbox"/> Skills tests  <input type="checkbox"/> Certifications  <input type="checkbox"/> Medical screenings  <input type="checkbox"/> Passports/ID's  <input type="checkbox"/> Work / resident permits  <input type="checkbox"/> Birth certificates  <input type="checkbox"/> Police clearance fees  <input type="checkbox"/> Any transportation and lodging costs after employment offer  <input type="checkbox"/> Any transport costs between work place and home  <input type="checkbox"/> Any relocation costs after commencement of employment  <input type="checkbox"/> New hire training / orientation fees  <input type="checkbox"/> Medical exam fees  <input type="checkbox"/> Deposit bonds or other deposits  <input type="checkbox"/> Any other non-monetary assets  <input type="checkbox"/> Other</p>
<p>C: If any checked, give details:</p>	<p><b>N/A</b></p>

**Migrant Workers:**

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

<p>A: Type of work undertaken by migrant workers:</p>	<p><b>NO</b></p>	
<p>B: Migrant worker recruitment</p>	<p>Total number of (in country recruitment agencies) used:                  Total number of (outside of local country) recruitment agencies used</p>	
<p>C: Migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and evidence of transaction is supplied by the facility to the worker.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  Please describe finding:</p>	<p>Observations</p>
<p>D: Are Any migrant workers in skilled, technical, or management roles</p> <p><b>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal</b></p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>If Yes number and example of roles</p>	



workers)

**NON-EMPLOYEE WORKERS**

Recruitment Fees:	
A: Are there any fees	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other
C: If any checked, give details:	<b>N/A</b>

**Agency Workers (if applicable)**

*(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)*

A: Number of agencies used (average):	And names if available: <b>N/A</b>
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	Details
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please describe: NA

<b>Contractors:</b> <i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i>	
A: Any contractors on site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:
B: If <b>Yes</b> , how many workers supplied by contractors	
C: Do all contractor workers understand their terms of employment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: <b>N/A</b>
D: If <b>Yes</b> , please give evidence for contractor workers being paid per law:	<b>N/A</b>

8A: Sub-Contracting and Homeworking:

**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.*

*Note to auditor on subcontracting : auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers*

**Current Systems and Evidence Examined**

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

**Current systems: Company do not any use any sub-contractor & home workers for production.**

**Description of current status: Factory does not engage workers through Subcontractor and no immigrant worker have been engaged by the factory.**

**Evidence examined – Process chart and sub supplier monitoring records.**

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

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		
Process Subcontracted	Process 3	Process 4
Name of factory		
Address		
Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Details: There should be no sub-contracting unless previously agreed with the client.

**Non-compliance:**

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

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

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

B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details: <b>N/A</b>
C: Number of sub-contractors/agents used	
D: Is there a site policy on sub-contracting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details: Yes; company has sub contracting policy in place which is posted on notice boards and the same is communicated to sub suppliers; if any.
E: What checks are in place to ensure no child labour is being used and work is safe?	

**Summary of homeworking – if applicable**
 Not Applicable please x

A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details: <b>N/A</b>
B: Number of homeworkers	Male: <input type="text"/> Female: <input type="text"/> Total: <input type="text"/>
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents
D: If through agents, number of agents	
E: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
F: How does site ensure worker hours and pay meet local laws for homeworkers?	
G: What processes are carried out by homeworkers?	
H: Do any contracts exist for homeworkers	<input type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: <b>N/A</b>
I: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No

**9: No Harsh or Inhumane Treatment is Allowed**

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

**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.

Additional elements:

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

**Evidence examined –Records and worker interview.**

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  Please describe: Company maintains a grievance committee.</p>
<p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>	<p>Workers are aware because they are periodically trained on such topics.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Direct access to management/ Complaints can also be registered through suggestion boxes.</p>
<p>D: Is there a grievance mechanism in place for:</p>	<p><input checked="" type="checkbox"/> Workers  <input type="checkbox"/> Communities  <input type="checkbox"/> Suppliers  <input type="checkbox"/> Other                  Details: Suggestion Box.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  If yes, please give details</p>
<p>F: Does grievance mechanism meet with UNGP requirement of e.g. (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  If no, please give details</p>

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

**Current Systems and Evidence Examined**

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

**Current systems: Company maintains a grievance committee.**

**Evidence examined –Records and worker interview.**

Details: Physical abuse or the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation not found practised within the company.

Any other comments: NA

**Non-compliance:**

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

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

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

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

**Additional Elements**

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

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what 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: Generally the factory ensures that employees meet the legal age limit through physical verification (weight, height, appearance). Otherwise verification is done through Doctors & age proof verification. No immigrant workers have been engaged by the factory. The factory also witness process of salary disbursement. Factory ensures that employees meet the legal age limit through age proof verification.**

**Evidence examined – Worker Interview.**

Details: All workers, including employment agency staff, found validated by the supplier for their legal right to work by reviewing original documentation.

Any other comments: NA

**Non-compliance:**

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

- NC against ETI/Additional Elements
- NC against customer code:
- NC against Local Law

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

**Recommended corrective action:**

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

- NC against ETI/Additional Elements
- NC against customer code:
- NC against Local

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

**Objective evidence observed:**

*(where relevant please add photo numbers)*

<p><b>Recommended corrective action:</b></p>	
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Observation:	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI/Additional Elements requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

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

**10. Other issue areas 10B2: Environment 2-Pillar**

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

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

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems: Company has obtained air and water consent from Pollution Board. Operational environmental parameters like stack emission and work place monitoring like Air Monitoring test are done to improve the organization environment performance.**

**Evidence examined – Pollution control records.**

Details: The company has got the requirements of local and international laws and regulations including necessary permits.

Any other comments: NA

**Non-compliance:**

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

NC against ETI/Additional Elements  NC against Local Law

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

**Recommended corrective action:**

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

NC against ETI/Additional Elements  NC against Local Law

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

**Objective evidence observed:**

(where relevant please add photo numbers)

<p><b>Recommended corrective action:</b></p>	
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Observation:	
<p><b>Description of observation:</b></p> <p><b>Local law or ETI/additional elements requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p>

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

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

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

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

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

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

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

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

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

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

**B4. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems: Not audited**

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

Details:

Any other comments:

**Non-compliance:**

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

- NC against ETI/Additional Elements       NC against Local  
 NC against customer code:

**Objective evidence observed:**  
 (where relevant please add photo numbers)

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

**Recommended corrective action:**

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

- NC against ETI/Additional Elements       NC against Local  
 NC against customer code:

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

**Recommended corrective action:**

**Observation:**

**Description of observation:**

**Local law or ETI/Additional elements requirements:**

**Comments:**

**Objective evidence observed:**

**Good examples observed:**

**Description of Good Example (GE):**

**Objective Evidence Observed:**



<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):	
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it publicly available?
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please detail. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:
H: Have all legally required permits been shown? Please detail.	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Details:
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:
M: Facility has a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:

follows recognised protocols or standards		
N: Facility has checked that any Sub-Contracting agencies or business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the facility	<input type="checkbox"/> Yes <input type="checkbox"/> No Details:	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: _____	Current Year: Please state period: _____
Electricity Usage: <i>Kw/hrs</i>	NOT AUDITED	NOT AUDITED
Renewable Energy Usage: <i>Kw/hrs</i>	NOT AUDITED	NOT AUDITED
Gas Usage: <i>Kw/hrs</i>	NOT AUDITED	NOT AUDITED
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If <b>Yes</b> , please state result		
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	• • •	• • •
Water Volume Used: <i>(m<sup>3</sup>)</i>	NOT AUDITED	NOT AUDITED
Water Discharged: <i>Please list all receiving waters/recipients.</i>	NOT AUDITED	NOT AUDITED
Water Volume Discharged: <i>(m<sup>3</sup>)</i>	NOT AUDITED	NOT AUDITED
Water Volume Recycled: <i>(m<sup>3</sup>)</i>	NOT AUDITED	NOT AUDITED
Total waste Produced <i>(please state units)</i>	NOT AUDITED	NOT AUDITED
Total hazardous waste Produced: <i>(please state units)</i>	NOT AUDITED	NOT AUDITED
Waste to Recycling: <i>(please state units)</i>	NOT AUDITED	NOT AUDITED
Waste to Landfill: <i>(please state units)</i>	NOT AUDITED	NOT AUDITED
Waste to other:	NOT AUDITED	NOT AUDITED

<i>(please give details and state units)</i>		
Total Product Produced <i>(please state units)</i>	NOT AUDITED	NOT AUDITED

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**10C: Business Ethics – 4-Pillar Audit**

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

To be completed for a 4-Pillar SMETA Audit

**10C. Compliance Requirements**

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

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

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

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

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

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

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

**10C. Guidance for Observations**

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

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

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

**Current Systems and Evidence Examined**

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

**Current systems: NOT AUDITED**

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

Details:

Any other comments:

**Non-compliance:**

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

- NC against ETI/Additional Elements
- NC against customer code:

- NC against Local

**Objective evidence observed:**  
(where relevant please add photo numbers)

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

**Recommended corrective action:**

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

- NC against ETI/Additional Elements
- NC against customer code:

- NC against Local

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

**Recommended corrective action:**

**Observation**

**Description of observation:**

**Objective evidence observed:**

**Local law or ETI/Additional elements requirement:**

**Comments:**

**Good examples observed:**

**Description of Good Example (GE):**

**Objective Evidence Observed:**

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input type="checkbox"/> Internal Policy  <input type="checkbox"/> Policy for third parties including suppliers</p> <p>Please give details:</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues</p>	
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>Please give details:</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>Please give details:</p>

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**Other Findings Outside the Scope of the Code**

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**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)*

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## Appendix 1

<p><b>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</b></p> <p style="text-align: center;"><input type="checkbox"/> Not Applicable please x</p>	
<p><b>NOTE:</b> The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>	<p><b>Instruction to Audit Company:</b> fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
<b>ETI Code / Additional Elements</b>	<b>Customer's Supplier Code equivalent</b>
<b>0.A. Universal Rights covering UNGP</b>	<b>0.A. Universal Rights covering UNGP</b>
<p><b>0.A. Guidance for Observations</b></p> <p>0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>	
<b>0.B. Management Systems &amp; Code Implementation</b>	<b>0.B. Management Systems &amp; Code Implementation</b>
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for</p>	

<p>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.</p>	
<p><b>ETI 1. Forced Labour</b></p>	<p><b>ETI 1. Forced Labour</b></p>
<p>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.</p>	
<p><b>ETI 2. Freedom of association and the right to collective bargaining are respected</b></p>	<p><b>ETI 2. Freedom of association and the right to collective bargaining are respected</b></p>
<p>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.</p>	
<p><b>ETI 3. Working conditions are safe and hygienic</b></p>	<p><b>ETI 3. Working conditions are safe and hygienic</b></p>
<p>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 &amp; 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</p>	

<p>workers. 3.5 The company observing the code shall assign responsibility for Health &amp; Safety to a senior management representative.</p>	
<p><b>ETI 4. Child labour shall not be used</b></p>	<p><b>ETI 4. Child labour shall not be used</b></p>
<p>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.</p>	
<p><b>ETI 5. Living wages are paid</b></p>	<p><b>ETI 5. Living wages are paid</b></p>
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. 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.</p>	
<p><b>ETI 6. Working Hours are not excessive</b></p>	<p><b>ETI 6. Working Hours are not excessive</b></p>
<p>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</p>	

<p>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.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where <b>all</b> of the following are met:</p> <ul style="list-style-type: none"> <li>- this is allowed by national law;</li> <li>- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;</li> <li>- appropriate safeguards are taken to protect the workers' health and safety; and</li> <li>- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.</li> </ul> <p>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.</p>	
<p><b>ETI 7. No discrimination is practised</b></p>	<p><b>ETI 7. No discrimination is practised</b></p>
<p>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.</p>	
<p><b>ETI 8. Regular employment is provided</b></p>	<p><b>ETI 8. Regular employment is provided</b></p>
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use</p>	

<p>of fixed-term contracts of employment.</p> <p><b>Additional Elements: Responsible Recruitment</b>              8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.              8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.              8.5 Employment agencies must only supply workers registered with them.              8.6 Workers pay no recruitment fee at any stage of the recruitment process.              8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	
<p><b>8A: Sub-Contracting and Homeworking</b></p>	<p><b>8A: Sub-Contracting and Homeworking</b></p>
<p>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.</p>	
<p><b>ETI 9. No harsh or inhumane treatment is allowed</b></p>	<p><b>ETI 9. No harsh or inhumane treatment is allowed</b></p>
<p>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.              Additional elements:              9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
<p><b>10. Other Issue areas: 10A: Entitlement to Work and Immigration</b></p>	
<p><b>Additional Elements</b>              10A.1 Only workers with a legal right to work shall be employed or used by the supplier.              10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	
<p><b>10. Other issue areas 10B2: Environment 2-Pillar</b></p>	
<p>10B2.1 Suppliers must comply with the requirements</p>	



<p>of local and international laws and regulations including having necessary permits.          10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.  <i>Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
<p><b>Environment Section</b></p>	<p><b>Environment Section</b></p>
<p><b>B.4. Compliance Requirements</b>            10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.            10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.            10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements            10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.            10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.            10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).            10B4.7 Businesses shall make continuous improvements in their environmental performance.            10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation            10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.  <b>B4. Guidance for Observations</b>            10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.            10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to environmental regulations.</p>	
<p><b>Business Practices Section</b></p>	

**10C. Compliance Requirements**

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

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

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

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

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

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

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

**10C. Guidance for Observations**

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

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





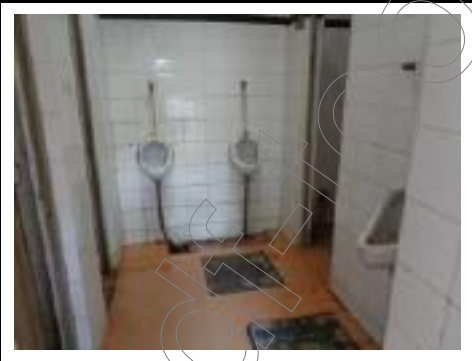




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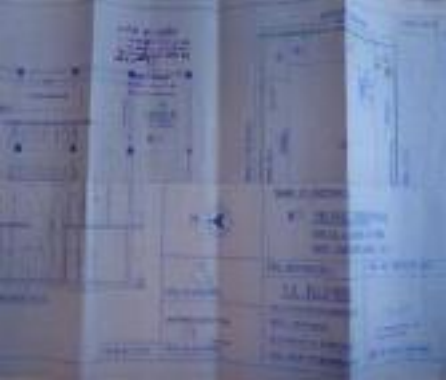


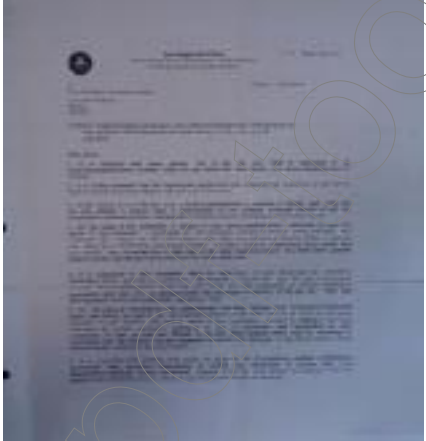



- 1) To start Microsoft Paint, click 'Start', 'Programs', 'Accessories', then 'Paint'.
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Save As jpeg (this provides compression to make the file smaller).  
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<p>Out Side of Factory</p>	<p>Company Name</p>	<p>Hydrant Box</p>
		
<p>Notice Board</p>	<p>Workers Toilet</p>	<p>First Aid Box</p>
		
<p>Production Hall</p>	<p>Production Hall</p>	<p>Fire Extinguisher</p>

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<p>Building plan lay out</p>	<p>Air Consent</p>	<p>Water Consent</p>
		
<p>Building Stability Certificate</p>	<p>ESIC Code</p>	<p>Fire NOC</p>
		
<p>EPF Challan</p>	<p>ESIC Challan</p>	<p>Drinking water test report</p>

		
<p>Accident Register</p>	<p>First aid training certificate</p>	



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

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

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