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# Sedex Members Ethical Trade Audit (SMETA) Report

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(Version 2.4, September 2010)

<b>Supplier name:</b>	<b>Meditex Industries Ltd.</b>
<b>Site country:</b>	<b>Bangladesh</b>
<b>Site name:</b>	<b>Meditex Industries Ltd.</b>



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**Intertek**

<b>Audit Company Name: Intertek</b>	<b>Client: Meditex Industries Ltd.</b>
<b>Sedex Company Reference:</b>	<b>S:</b> 795264958680
<b>Sedex Site Reference:</b>	<b>P:</b> 604117990523

Audit Conducted By			
<b>Commercial</b>	<input checked="" type="checkbox"/>	<b>Purchaser</b>	<input type="checkbox"/>
<b>NGO</b>	<input type="checkbox"/>	<b>Retailer</b>	<input type="checkbox"/>
<b>Trade Union</b>	<input type="checkbox"/>	<b>Brand Owner</b>	<input type="checkbox"/>
<b>Multi-stakeholder</b>	<input type="checkbox"/>	<b>Combined Audit (delete all that don't apply)</b>	

<b>Auditor Reference Number:</b> (If applicable)	Not Applicable
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## SMETA Declaration

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

Any exceptions to this are recorded here: None observed.

Auditor Name: Gazi Obyad, Barik, Faharin, and Noiym

Role: Lead auditor and Auditors

Date: February 19, 2012

## Audit Details

Audit Details	
<b>Report #:</b>	BGD-4403-01 (8 )
<b>Date of audit:</b>	February 19, 2012
<b>Time in and time out:</b>	Time in: 10:00 am Time out: 5:45 pm
<b>Number of Auditor Days Used</b>	4 Auditors in one day used
<b>Audit type:</b>	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Full Re-audit <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define
<b>Was the audit announced?</b>	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced <input type="checkbox"/> Unannounced
<b>Was the Sedex SAQ reviewed?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, why not?
<b>Previous audit date:</b>	Previous Audit was not conducted by Intertek Bangladesh.
<b>Previous audit type:</b>	<input type="checkbox"/> Full Initial <input type="checkbox"/> Full Re-audit <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other – Define
<b>Auditor name(s) and role(s):</b>	Gazi Obyad - Lead Auditor, A.N.M. Barik, Faharin, and Abu Noiym-Auditors.
<b>Report written by:</b>	Gazi Obyad
<b>Report reviewed by:</b>	A. K. M. Mazharul Anwar
<b>Report issue date:</b>	February 23, 2012
<b>Supplier name:</b>	Meditex Industries Ltd.
<b>Site country:</b>	Bangladesh
<b>Site name:</b>	Meditex Industries Ltd.
<b>Site contact and job title:</b>	Mr.Md.Akramuzzaman Talukder – Executive Director (Accounts & Administration)



<b>Site address:</b>	Konabari, Post-Nilnagar, Thana-Joydebpur, Gazipur.
<b>Applicable business and other legally required licence numbers:</b> for example, liability insurance	9027/Dhaka
<b>Site phone:</b>	+ 88-02-9297345-6
<b>Site fax:</b>	+ 88-02-9297117
<b>Site e-mail:</b>	<a href="mailto:Zaman@meditexbd.com">Zaman@meditexbd.com</a>
<b>Products/Activities at site, for example, garment manufacture, electricals, toys, grower</b>	Garment Manufacturer- Sweater Items
<b>Audit results reviewed with site management?</b>	Yes
<b>Who signed and agreed CAPR (Name and job title)</b>	Mr.Md.Akramuzzaman Talukder – Executive Director(Accounts & Administration)

**Present at closing meeting:**

Gazi Obyad - Lead auditor	Intertek-Bangladesh
A.N.M. Barik, Faharin, and Abu Noiym - Auditors	Intertek-Bangladesh
Mr.Md.Akramuzzaman Talukder – Executive Director, (Accounts & Administration)	Meditex Industries Ltd.
Md. Robiul Islam Bayazid – General Manager	Meditex Industries Ltd
Md. Ziaur Rahman – Merchandising Manager	Meditex Industries Ltd

## Audit Scope

Local Law (Please state legal requirement)	
<b>Standard work week (total hours):</b>	8 hours per day and 48 hours per week
<b>Maximum allowed overtime hours (per day, week, month):</b>	2 hours per day, 12 hours per week, 52 hours per month.
<b>Minimum work age:</b>	Above 14 years (Limited hours work)
<b>Minimum wage for standard hours:</b>	BDT 15.38 per hour
<b>Minimum overtime wage:</b>	Basic Salary X 2 X O. T. Hours / 208

Audit Scope (Please select the code and additional requirements that were audited against during this audit)	
<b>ETI Base Code (if partial audit, please detail which base code items were used):</b>	<input checked="" type="checkbox"/>
<b>A: Entitlement to Work and Immigration</b>	<input checked="" type="checkbox"/>
<b>B: Sub-Contracting and Homeworking</b>	<input checked="" type="checkbox"/>

Additional Requirements	
<b>C: Environment</b>	<input checked="" type="checkbox"/>

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

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

## Non-Compliance Table

Issue	Area of Non-Conformity (Only check box when there is a non-conformity)			Rating (Currently only to be completed as a specific client requirement)
	ETI Base Code	Local Law	Additional Elements	
<b>0</b> Management systems and code implementation	<input type="checkbox"/>	<input type="checkbox"/>		Not Applicable
<b>1</b> Employment Freely Chosen	<input type="checkbox"/>	<input type="checkbox"/>		
<b>2</b> Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>		
<b>3</b> Safety and Hygienic Conditions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
<b>4</b> Child Labour	<input type="checkbox"/>	<input type="checkbox"/>		
<b>5</b> Wages and Benefits	<input type="checkbox"/>	<input type="checkbox"/>		
<b>6</b> Working Hours	<input type="checkbox"/>	<input type="checkbox"/>		
<b>7</b> Discrimination	<input type="checkbox"/>	<input type="checkbox"/>		
<b>8</b> Regular Employment	<input type="checkbox"/>	<input type="checkbox"/>		
<b>8A</b> Sub-Contracting and Homeworking		<input type="checkbox"/>	<input type="checkbox"/>	
<b>9</b> Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>		
<b>A</b> Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	
<b>B</b> Environment		<input type="checkbox"/>	<input type="checkbox"/>	

## Audit Overview

Audit Overview		
Audit attendance	Senior management	Worker representatives/ Union representatives
Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Worker/Union Representatives not present please explain reasons why	Not Applicable. There was no workers union/Trade union	
<b>Site description:</b> (Include size, location, age, structure, number of buildings)	<p>Meditex Industries Ltd. is located at Konabari, Post-Nilnagar, Thana-Joydebpur, Gazipur of Bangladesh. The total land area occupied by the facility is about 155,000 square feet. The production area is about 135,000 square feet and the warehouse is about 16,000 square feet. The facility has started their operations at this existing location since December 1994.</p> <p>The facility compound consists of one (1) building. The detailed layout of Meditex Industries Ltd. is as follows:</p> <p><b><u>Building 1: (6 Storied)</u></b></p> <p><u>Ground floor:</u> Winding, Washing, Day Care Centre, Doctor's room, Bonded warehouse, Accessories Store, Auto plucked, Time Section, Boiler and Generator room.  <u>1<sup>st</sup> Floor:</u> Finishing Section ( Iron, Sewing, PQC, Packing)  <u>2<sup>nd</sup> Floor:</u> Linking, Mending, Trimming, Over Lock and Light check.  <u>3<sup>rd</sup> Floor :</u> Knitting Section  <u>4<sup>th</sup> Floor :</u> Knitting Section  <u>5<sup>th</sup> Floor:</u> Knitting, Dining, Prayer room</p> <p>Currently, 2163 employees are working in the facility, 1921 are production employees and 242 are non-production employees which are local. From the 2163 employees, 432 are female and 1731 are male. The employees' working hours is for six (6) days in a week, from Saturday to Thursday. General Working hours in the facility for the employees are 8:00 am to 5:00 pm, including one (1) hour break (1:00 pm to 2:00 pm). Employees' wages are calculated on a monthly and piece rate basis. The facility has a peak season from April to October.</p>	
Site function:	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower	



	<input type="checkbox"/> Home worker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
<b>Month(s) of peak season: (if applicable)</b>	April to October
<b>Process overview:</b> (Include products being produced, main operations, number of production lines, main equipment used)	
<p>The main product manufactured by the facility covers sweater items. Winding, knitting, linking, mending, trimming, washing, finishing are the main production department of the facility. At present the production range of the facility is about 180,000 pieces/per month. For production purposes, the facility uses various machineries like knitting (3,5,7,12 GG), knitting loop, knitting bed, linking, over lock, button hole, button stitch, washing and winding machine.</p>	
<b>Attitude of workers:</b> (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.	
<p>Employees' interviews were conducted privately. Fifty two (52) employees were selected from different work floors. The auditor asked the employees about general information like wage, working hours, benefits, health and safety condition, freedom of association and environment. None of the interviewed employees reported about any kind of verbal or physical harassment. No discriminatory measure is taken while hiring or promotion.</p>	
<b>Attitude of managers:</b> (Include attitude to audit, and audit process. Both positive and negative information should be included)	
<p>The facility management was cooperative throughout the audit process. All documents requested for review was provided timely. The facility management gave permission to take necessary photographs. The facility management allowed conducting employee interview. At the end of the audit, the facility management accepted all findings and suggested corrective actions.</p>	
<b>Summary of main findings: (positive and negative)</b>	
<b>Audit Process:</b> This full initial audit was conducted by Intertek-Bangladesh. A team of four (4) auditors assessed / verified the facility's operations against the ETI Base Code and local legislations on a sampling basis in one day.	
<b>Overview of opening meeting, facility management responses</b> At 10:00 AM, auditors entered the facility and started an opening meeting according to the ETI Base Code. The facility management representative Mr. Md.Akramuzzaman Talukder – Executive Director (Accounts & Administration) was present in the meeting. They stated that they would be cooperative with this audit.	
<p>Fifty two (52) attendance records and payroll records each from January 2012 (Current month) and July 2011 (Peak Month), and 2 attendance and payroll records each from the rest of the months of review period (February 2011 to January 2012) were taken for evaluation. Fifty two (52) employees were interviewed, including 30 male and 22 female.</p>	



**Summary of Findings (positive and negative):**

In view of the findings raised, below non-compliance were found in the area of **Safety and Hygienic Conditions**. For other areas, no violations were noted.

1. The facility did not train 6 % of total workforce by The Fire service and civil Defence Authority.
2. The facility management did not post proper MSDS in the chemical store.

Please refer to the details of non-compliances in the individual sections.

**Best Practices Observed:**

- Monthly Attendance Bonus for fixed and production operators
- Provide two festival bonuses to all.
- Provide production bonus.
- Annual cultural programme

**Additional Auditor Remark:**

Nil

## Key Information

Key Information	
<b>Do all workers (including migrant workers) have contracts of employment?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Were appropriate records available to verify hours of work and wages?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Were any inconsistencies found? (if yes describe nature)</b>	<input type="checkbox"/> Yes <input type="checkbox"/> Poor record keeping <input checked="" type="checkbox"/> No <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence
<b>For the lowest paid production worker, are wages paid for standard hours below or above the legal minimum?</b>	<input type="checkbox"/> Below legal minimum                      %age <input checked="" type="checkbox"/> Meet    100 %age <input type="checkbox"/> Above    %age
<b>% of piece rate workers: (if applicable)</b>	65%
<b>Combined hours (regular and overtime) over 60 per week found?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Are the correct overtime premiums paid?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Is there any night production work at the site?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>% of workers living in site provided accommodation (if applicable):</b>	None
<b>Age of youngest worker found:</b>	20 years old
<b>Workers under 18 subject to hazardous work assignments?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>What form of worker representation is there on site?</b>	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) Workers Participation committee.
<b>Are there any External Processes?</b>	<input type="checkbox"/> Sub-Contracting <input type="checkbox"/> Home working <input type="checkbox"/> Other External Process (detail) Nil

## Worker Analysis

Worker Analysis							
	Local			Migrant			
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Homeworkers
<b>Worker numbers – Male</b>	1731	Nil	Nil	Nil	Nil	Nil	Nil
<b>Worker numbers – female</b>	432	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	2163	Nil	Nil	Nil	Nil	Nil	Nil

**Total Workers at this Site: 5000**

<b>Number of Workers interviewed</b>	52	Nil	Nil	Nil	Nil	Nil	Nil
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### Migrant Workers:

Originating Locations/Countries:	No migrant workers were recruited.
Work undertaken by migrant workers:	Not applicable
Were migrant workers recruited through an agency?	Not applicable
If yes, is there a contract with the agency? Provide details of agencies and contractual arrangements	Not applicable
Percentage of migrant workers in company provided accommodation:	Not applicable

## Audit Results by Clause

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

<b>Evidence of Compliance and Current Status</b>
<p>The facility is trying to comply with the code implementation and Mr. Md.Akramuzzaman Talukder – Executive Director (Accounts &amp; Administration) is designated as the senior management representative to take care of the issues identified against the code of conduct. The facility implements a system to communicate this code to all the existing employees and has provided training and awareness whenever they are recruiting any new employee for any production process.</p>

Non-compliance:	
<p><b>Description of non-compliance:</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Recommended corrective action:</b> Not applicable</p>	<p><b>Objective evidence observed:</b> Not applicable</p>

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

Good Examples observed:	
Description of Good Example ( GE) None observed	<b>Objective evidence observed:</b> Not applicable

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

Evidence of Compliance and Current Status
<p>Based from the facility tour, no indication of prison or slave labor practices is noted. This is also confirmed through the employee interview and documents review. Based from documents review &amp; employees interview, it is revealed that the facility does not retain original certificates or any deposits. Based from the time of employees’ interview, the employees have confirmed that their freedom of movement is not impeded and they can freely leave the facility once their shift ends. Employees are issued with their salaries directly from the facility.</p>

Non-compliance:	
<p><b>Description of non-compliance:</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Recommended corrective action:</b> Not applicable</p>	<p><b>Objective evidence observed:</b> Not applicable</p>

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

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



	Not applicable
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2: Freedom of Association and Right to Collective Bargaining are Respected

ETI

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

Evidence of Compliance and Current Status

There is no trade union present in the facility. Based from the facility management and employees' interview, there is a workers participation committee. Employees can raise their concerns through their representatives, telephone, suggestion box, meeting and their team leader or above.

Non-compliance:

**Description of non-compliance:**  
None observed

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

**Recommended corrective action:**  
Not applicable

**Objective evidence observed:**  
Not applicable

Observation

**Description of observation**  
None observed

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

**Recommended corrective action:**  
Not applicable

**Objective evidence observed:**  
Not applicable

**Name of union and union representative, if applicable:**

Not Applicable.



<b>If no union what is parallel means of consultation with workers?</b>	Workers participation committee.
<b>The percentage of workers at the site covered by collective bargaining with one or more recognised trade unions</b>	Not Applicable. There is no union in the facility.
<b>The percentage of workers at the site covered by negotiation with workers' representatives who are NOT members of one or more recognised trade unions</b>	Not Applicable. There is no union in the facility.
<b>Does the Collective Bargaining Agreement (CBA) include rates of pay</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  Nil

Good Examples observed:	
Description of Good Example ( GE) None observed	<b>Objective evidence observed:</b> Not applicable

3: Working Conditions are Safe and Hygienic

ETI

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

3.2 Workers shall receive regular and recorded health and 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 and safety to a senior management representative.

Evidence of Compliance and Current Status

Based from the facility tour, it is noted that the facility maintained a comfortable temperature throughout work floors. The area is well ventilated. The electrical system is in a good condition. All switches in the electrical control panels have been labelled. The facility posted the evacuation plans on work floors, which indicated escape routes and the location of the fire extinguishers. Emergency lights are installed. Sufficient first aid kits stocked with necessary supplies are provided in workshops. Personal protective equipment (PPE) such as masks and gloves are provided to relevant employees. Drinkable water is available in workshops. Employees receive regular and recorded health & safety training. The last Fire fighting training and PPE training were conducted on January 30, 2012 and on February 1, 2012 respectively. 2% of the total employees got first aid training on January 12, 2012. Moreover, unannounced Fire drill training was held on January 26, 2012. The result of the fire drill is acceptable. The facility being a 6 storey-building is evacuated within 4 minutes.

Non-compliance:

**Non-Compliance- 01**

**Description of non-compliance:**

It was noted during facility tour, the facility did not train 6 % of total workforce by The Fire service and Civil Defence Authority.

**Local law or ETI requirement:**

In accordance with the terms of Bangladesh Fire service and Civil Defence Authority.

Six (6) percentages of total permanent employees of the facility must be trained up from the local Fire service and Civil Defence department.

**Recommended corrective action:**

It is recommended that the facility should provide training from the mentioned authority.

**Objective evidence observed:**

- 01. Facility tour
- 02. Facility tour

<p><b><u>Non-Compliance- 02</u></b></p> <p><b>Description of non-compliance:</b></p> <p>It was noted during facility tour that the facility management did not post proper MSDS in the chemical store.</p> <p><b>Local law or ETI requirement:</b></p> <p><u>In accordance with ETI Base Code, point-3.4</u></p> <p>Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p><b>Recommended corrective action:</b></p> <p>It is recommended that the facility should post proper MSDS to that mentioned area.</p>	
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Observation	
<p><b>Description of observation</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Recommended corrective action:</b> Not applicable</p>	<p><b>Objective evidence observed:</b> Not applicable</p>

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

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

Evidence of Compliance and Current Status
<p>The facility has established a policy that will never employ and use any child labour under the age of 18 years old. The facility verifies all employees' national ID cards at the time of recruitment and keeps the photocopies of workers' ID cards in the personnel files. Fifty two (52) employees' personal files were provided for review which is required for the audit. Each employee file included a bio-data sheet, a recent photo and the age documentation, which is in the form of photocopied national identification card. The card lists the employee's name, household address and the date of birth. The youngest employee's age is 20 years old.</p>

Non-compliance:	
<p><b>Description of non-compliance:</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Recommended corrective action:</b> Not applicable</p>	<p><b>Objective evidence observed:</b> Not applicable</p>

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

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

<b>5: Living Wages are Paid</b>
<b>ETI</b>
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect of wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>

<b>Evidence of Compliance and Current Status</b>
<p>All employees are provided with written and understandable information about their employment conditions with respect to wages before they enter employment. The particulars of their wages for the pay period concerned each time that they are paid are also provided. Employees are paid within seven (7) days after completion of the wage period. The facility management ensures minimum wage as per minimum wage gazette. Overtime calculations are found at double to basic which is consistent with the law. Besides they are providing addition benefits beyond the law requirement which is mentioned in the best practice area.</p>

Non-compliance:	
<p><b>Description of non-compliance:</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Recommended corrective action:</b> Not applicable</p>	<p><b>Objective evidence observed:</b></p>

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

Good Examples observed:	
<p>Description of Good Example ( GE)</p> <ul style="list-style-type: none"> <li>• Monthly Attendance Bonus for fixed and production operators</li> <li>• Provide two festival bonuses to all.</li> <li>• Provide production bonus.</li> <li>• Annual cultural programme.</li> </ul>	<p><b>Objective Evidence Observed:</b> Documents review, management and workers' interview</p>

Wages analysis:	
<b>Sample size (number of wages checked and which weeks or months):</b>	52 samples from January 2012 52 samples from July 2011 2 samples each from the rest of the months of review period (February 2011 to January 2012)
<b>Legal minimum wage for standard time:</b>	BDT 3000 per month or BDT 14.42 per hour
<b>What deductions are required by law, and have all of these been made:</b>	Unauthorized absent deduction.
<b>Industry norm for this region:</b>	Not Applicable
<b>Legal overtime premium for weekdays:</b>	200% of basic wage
<b>Legal overtime premium for rest days:</b>	200% of basic wage
<b>Legal overtime premium for holidays:</b>	Not applicable
<b>Were collective bargaining agreements reached on the wages stated below?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable. No collective bargaining agreement in the facility.

Worker Type	Process Operator (Highest paid)	Process Operator (Average paid)	Process Operator (Lowest paid)
This is not so relevant in farms where most workers are paid the same, or are of the same 'Worker type'. Also many farms in SA use a combination of piece and hourly rate which is impossible to capture on this form.			
<i>Select one worker's records from each "Worker Type" and populate the boxes:</i>			
Pay period (pm/week)	January 2012	January 2012	January 2012
Employee identification/ Staff ID#/Dept	Employee# 1 Knitting	Employee# 2 Knitting	Employee# 3 Knitting
Employee Gender	Male	Male	Male
Contract monthly/daily	BDT 7802 per month and BDT 300.08 per day	BDT 6573 per month and BDT 252.81 per day	BDT 4043 per month and BDT 155.50 per day.
Regular working hours	8 hours	8 hours	8 hours
Regular work pay rate	BDT 7802	BDT 6573	BDT 4043
Regular day overtime (hour)	Maximum 2 hours per day	Maximum 2 hours per day	Maximum 2 hours per day
Regular day overtime (wage)	BDT 52.21 per hour	BDT 43.77 per hours	BDT 26.39 per hour
Rest day overtime (hour)	Nil	Nil	Nil
Rest day overtime (wage)	Nil	Nil	Nil
Statutory Holiday overtime (hour)	Not Applicable	Not Applicable	Not Applicable
Statutory holiday OT (wage)	Not Applicable	Not Applicable	Not Applicable
Total overtime hours	48 hours in January 2012	48 hours in January 2012	48 hours in January 2012
Incentives/Bonus/ Allowances etc.	BDT 300	BDT 300	BDT 300
Gross wages	BDT 8102	BDT 6873	BDT 4343
Social insurance and other deductions	BDT 00	BDT 00	BDT 00
Actual wage paid after deduction	BDT 8102 (monthly)	BDT 6873 (monthly)	BDT 4343 (monthly)



<b>Comments:</b> (Please state here any specific reasons/circumstances that explain the lowest and highest gross wages)	
The above calculation is based on provided documents.	
<b>Is there a defined living wage:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (add notes into guidance for auditors) .
<b>Is there evidence that equal rates are being paid for equal work:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: Based from the review of the facility rules and payroll records and employees' interview, it is confirmed that equal rates are being paid for equal work.
<b>How are workers paid:</b>	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> BACS If not explain:
<b>1. Contracted overtime premium for...</b>	
<b>Weekdays:</b>	200 % of basic wage
<b>Rest days:</b>	200% of basic salary
<b>Holidays:</b>	200% of basic salary
<b>2. Actual overtime premium paid in sample for...</b>	
<b>Weekdays:</b>	200 % of basic wage
<b>Rest days:</b>	200% of basic wage
<b>Holidays:</b>	Not Applicable
<b>3. Average wage paid to operators:</b>	BDT 6381 (monthly)

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

Evidence of Compliance and Current Status
<p>Based from the provided salary sheet for review, the weekly working hours of the employees is found within the legal working hours limit of 60 hours. The employee worked highest two (2) hours overtime per day. Regular hour of work is at eight (8) hours.</p>

Non-compliance:	
<p><b>Description of non-compliance:</b> None observed</p> <p><b>Local law or ETI requirement:</b> None observed</p> <p><b>Recommended corrective action:</b> None observed</p>	<p><b>Objective evidence observed:</b> Not applicable</p>

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

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

Working hours analysis	
<b>What timekeeping systems are used: time card etc.</b>	Paper time card
<b>Sample size checked (number of workers):</b>	52 samples from January 2012 52 samples from July 2011 2 samples each from other remaining months of review period (February 2011 – December 2012)
<b>Legal standard work week (hours):</b>	48 hours
<b>1. Contracted standard work week this site (hours):</b>	48 hours per week
<b>2. Actual standard work week averaged over sample (hours):</b>	48 hours per week as per provided documents
<b>3. Lowest basic hours worked:</b>	48 hours per week as per provided documents
<b>4. Highest basic hours worked:</b>	48 hours per week as per provided documents
<b>Legal permitted overtime hours:</b>	2 hours per day and 12 hours per week
<b>Any local waivers for this site:</b>	The facility did not get any waiver from local authority.
<b>Comments:</b> (Please state here any specific reasons/circumstances that explain the highest working hours)	
The above calculation is based on provided documents which are found consistent.	
<b>1. Actual overtime hours: (averaged over sample)</b>	2 hours per day and 14 hours per week as per provided documents
<b>2. Range of overtime hours over all workers: (quote highest and lowest)</b>	Highest two (2) hours and lowest One (1) hour per day & Highest fourteen (14) hours & Lowest six (6) hours in a week.
<b>3. Peak seasons:</b>	From April to October is the Peak season of the facility.

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

Evidence of Compliance and Current Status
All performance evaluation of the employees is based on performance evaluation and not on gender, race, age or religion.

Non-compliance:	
<b>Description of non-compliance:</b> None observed  <b>Local law or ETI requirement:</b> Not applicable  <b>Recommended corrective action:</b> Not applicable	<b>Objective evidence observed:</b> Not applicable

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

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

8: Regular Employment Is Provided
ETI
<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 homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p>

Evidence of Compliance and Current Status
<p>Employment contracts mention all term and conditions as per local legislation. It is provided to all the individual employees prior to joining in the factory. The facility also provided ID card with photo to all employees. They are maintaining service record for each employee. No agent or temporary employees are being recruited by the facility.</p>

Non-compliance:	
<p><b>Description of observation</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Recommended corrective action:</b> Not applicable</p>	<p><b>Objective evidence observed:</b> Not applicable</p>

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

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

8A: Sub-Contracting and Homeworking:
<p>8a.1 There should be no sub-contracting unless previously agreed with the main client. 8a.2 Home-working should be properly managed.</p> <p><i>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.</i></p>

Evidence of Compliance and Current Status
No subcontracting and home working operation is found.

Non-compliance:	
<p><b>Description of observation</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Recommended corrective action:</b> Not applicable</p>	<p><b>Objective evidence observed:</b> Not applicable</p>

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



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

Summary of sub-contracting	
<b>1. Number of sub-contractors/agents used</b>	Nil
<b>2. Is there a site policy on sub-contracting?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, summarise details:
<b>3. What checks are in place to ensure no child labour is being used and work is safe?</b>	Not Applicable
<b>4. What processes are sub-contracted?</b>	Not Applicable

Summary of homeworking			
<b>1. Number of homeworkers</b>	Male: Nil	Female: Nil	Total: Nil
<b>2. Are homeworkers employed direct or through agents?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable		
<b>3. If through agents, number of agents</b>	Not Applicable		
<b>4. Is there a site policy on homeworking?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>5. How does site ensure worker hours and pay meet local laws for homeworkers?</b>	Not Applicable		
<b>6. What processes are carried out by homeworkers?</b>	Not Applicable		
<b>7. Are written agreements in place for homeworkers that include regular employment?</b>	Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>8. Are full records available at the site?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No Not Applicable		

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

Evidence of Compliance and Current Status
Based from the employee interview, the facility did not exercise unlawful or undue disciplinary measures and the procedures used by the facility for disciplinary issues complied with the legal limitations. The documentation, policies and attitude of the facility management did not reflect any form or practices of discrimination.

Non-compliance:	
<b>Description of observation</b> None observed  <b>Local law or ETI requirement:</b> Not applicable  <b>Recommended corrective action:</b> Not applicable	<b>Objective evidence observed:</b> Not applicable

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

Good Examples observed:	



Description of Good Example ( GE) None observed	<b>Objective Evidence Observed:</b> Not applicable
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Other Issue areas: A: Entitlement to Work and Immigration
Additional Retailer Specific Elements
A1 Only workers with a legal right to work shall be employed or used by the supplier.
A2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.
A3 Employment agencies must only supply workers registered with them.
A4 The supplier shall implement processes to enable adequate control over agencies with regards to the above points and related legislation.

Evidence of Compliance and Current Status
The facility did not recruit any migrant production and non production employees.

Non-compliance:	
<p><b>Description of observation</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Recommended corrective action:</b> Not applicable</p>	<p><b>Objective evidence observed:</b> Not applicable</p>

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

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

Other issue areas B : Environment
<p>B.1 Suppliers shall seek to make continuous improvements in their environmental performance and, as a minimum, comply with the requirements of local and international laws and regulations.</p> <p>B.2 The supplier shall be aware of and comply with their end clients' environmental requirements.</p>

Evidence of Compliance and Current Status
<p>The facility has prepared an environmental policy and procedure. The facility disposes all solid waste in a segregated area with proper level and identification. The facility also provides awareness training to all related personnel. Solid waste is handover to licensed vendor as per local legislation who recycles that wastage. The facility is not involved with air emission and water pollution through production process though they have washing process but they are using normal solvent for washing purpose.</p>

Non-compliance:	
<p><b>Description of observation</b> None observed</p> <p><b>Local law or ETI requirement:</b> Not applicable</p> <p><b>Recommended corrective action:</b> Not applicable</p>	<p><b>Objective evidence observed:</b> Not applicable</p>

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

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



## Worker Interview Summary

Worker Interview Summary	
<b>Were workers aware of the audit?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Were workers aware of the code?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Number of group interviews</b>	32 employees: 8 groups of 4 employees
<b>Number of individual interviews</b>	Male: 13      Female: 7
<b>Number of interviewed workers</b>	Male: 30      Female: 22
<b>Interviews were done in private and the confidentiality of the interview process was communicated to the workers?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>In general, what was the attitude of the workers towards their workplace?</b>	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
<b>What was the most common worker complaint?</b>	Nil
<b>What did the workers like the most about working at this site?</b>	Wages are always paid on time
<b>Any additional comment(s) regarding interviews:</b>	Nil

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

## Other findings

Other Findings Outside the Scope of the Audit
None observed

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










## Photo Form








Non compliance Photos: Nil

General Site Tour Photos:

		
<p><i>Facility Building</i></p>	<p><i>Facility Building</i></p>	<p><i>Winding Section</i></p>
		
<p><i>Knitting Section</i></p>	<p><i>Linking Section</i></p>	<p><i>Mending Section</i></p>

		
<i>Trimming</i>	<i>Pressing Section</i>	<i>Quality Check Section</i>
		
<i>Packing Section</i>	<i>Washing Section</i>	<i>Canteen</i>
		
<i>Dining Hall</i>	<i>Child Care Room</i>	<i>Doctor's Room</i>

		
<p>Chemical Room</p>	<p>Boiler Room</p>	<p>Generator Room</p>
		
<p>Complain Box</p>	<p>Fire Hose Reel</p>	<p>Smoke Detector</p>
		
<p>Drinking Water</p>	<p>Evacuation Plan</p>	<p>Eye Wash Point</p>

		
<p><i>Locker</i></p>	<p><i>Visual Fire Alarm</i></p>	<p><i>Public Address System</i></p>
		
<p><i>Fire Extinguisher</i></p>	<p><i>Notice Board</i></p>	<p><i>Emergency Light</i></p>
		
<p><i>Secondary Containment</i></p>	<p><i>Store House</i></p>	<p><i>Finished Good Section</i></p>

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End of report.



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