

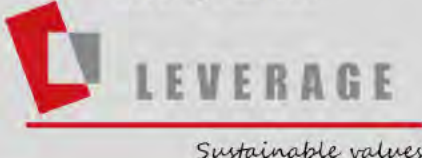


Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: (only available on Sedex System)	[REDACTED]	Sedex Site Reference: (only available on Sedex System)	[REDACTED]
Business name (Company name):	[REDACTED]		
Site name:	[REDACTED]		
Site address: (Please include full address)	[REDACTED] [REDACTED] [REDACTED], Tamil Nadu,	Country:	India
Site contact and job title:	[REDACTED] Director		
Site phone:	[REDACTED]	Site e-mail:	[REDACTED]
SMETA Audit Pillars:	☒ Labour Standards	☒ Health & Safety (plus Environment 2-Pillar)	☒ Environment 4-pillar ☒ Business Ethics
Date of Audit:	25-Nov-2019 & 26-Nov-2019		

Audit Company Name & Logo: Leverage Limited  <i>Sustainable values</i>	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> [REDACTED]
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Audit Conducted By					
Affiliate Audit Company	☒	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi-stakeholder	☐	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 6.1 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): Nil

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

Lead auditor: Subbarayan Kumareshan APSCA number: RA21703011

Lead auditor APSCA status: RA

Team auditor: P.Prabhavathi APSCA number: ASCA21703044

Interviewers: Subbarayan Kumareshan and P.Prabhavathi APSCA number: RA21703011/ ASCA21703044

Report writer: Subbarayan Kumareshan

Report reviewer: Roy Zhu

Date of declaration: 26-Nov-2019

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.

Summary of Findings

Issue (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.		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Findings (note to auditor, summarise in as few words as possible NCs, Obs and GE)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	<u>Universal Rights covering UNGP</u>			☐	☐		00	00	
0B	<u>Management systems and code implementation</u>		☒	☒	☐	01	00	00	- Summary of NC finding 1. Form-11- working hours approval by including three hours shift for security guards not amended
1.	<u>Freely chosen Employment</u>	☐	☐		☐	00	00	00	
2	<u>Freedom of Association</u>	☐	☐		☐	00	00	00	
3	<u>Safety and Hygienic Conditions</u>	☒	☒		☐	04	00	00	- Summary of NC finding 1. Insufficient medicines noted in first aid box located in security guard cabin 2. Smoke detectors not provided in final packing area. 3. One pathway blocked by pasting machine in pasting area. 4. handrail not provided in loading area located in first production shed.

4	<u>Child Labour</u>	☐	☐		☐	00	00	00	•
5	<u>Living Wages and Benefits</u>	☐	☐		☐	00	00	00	•
6	<u>Working Hours</u>	☐	☐		☐	00	00	00	•
7	<u>Discrimination</u>	☐	☐		☐	00	00	00	•
8	<u>Regular Employment</u>	☐	☐	☐	☐	00	00	00	•
8A	<u>Sub-Contracting and Homeworking</u>		☐	☐	☐	00	00	00	•
9	<u>Harsh or Inhumane Treatment</u>	☐	☐	☐	☐	00	00	00	•
10A	<u>Entitlement to Work</u>		☐	☐	☐	00	00	00	•
10B2	<u>Environment 2-Pillar</u>		☐	☐	☐	N/A	N/A	N/A	• Not Audited

10B4	<u>Environment 4-Pillar</u>		☐	☐	☐	00	00	00	
10C	<u>Business Ethics</u>		☐	☐	☐	00	00	00	

General observations and summary of the site:

Factory does not interfere with the workers' rights.

- 1)The products manufactured at this site were Printed Note Books, Colouring Books, Diaries, Calendars, Wedding Cards, Stationery Materials and Packaging's.
- 2)The main responsible personnel for delivering the compliance of the standards was [REDACTED] -Director.
- 3)There were total 750 employees in the factory (720 employees were permanent employees and 30 employees are contract employees).
- 4)The youngest employee in the factory was 19 years old.
- 5)No trade union was established in the factory.
- 6)Worker representative was present during the audit.
- 7)Both male and female employees were engaged in management and supervision positions.
- 8) No Sub-contractor was used by the factory for production processes.
- 9)42 workers were selected for interview, they were interviewed as 6 group of 5 workers and 12 workers were interviewed individually. All workers said they were satisfied with their employment at the factory. They also said they were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used.
- 10)The factory paid at least the legal minimum wage to all employees. The local legal minimum wage was INR 7540/month. Facility is paying INR 7540/month.
- 11)Workers engaged in overtime work. Maximum 1 hour/day, 6 hours/week and 18 hours/month.
- 12)The normal working time in the factory was arranged from 08.30 am to 5.00 pm. Second shift starts from 8.30 pm to 5.00 am..

**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:																													
B: Site name:																													
C: GPS location: (If available)	GPS Address: Tamil Nadu,	Latitude: Longitude:																											
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	License No : Fire NOC :																												
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Printed Note Books, Colouring Books, Diaries, Calendars, Wedding Cards, Stationery Materials and Packaging's																												
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	The facility was located at , Tamil Nadu-India. The total production area occupied by the facility is about 10278 square meters. The factory has been operating at this location since 2007. Factory operations were carried out in 5 sheds <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Shed 1</td> <td>Raw material storage, printing, checking, packing, finished goods storage</td> <td>NA</td> </tr> <tr> <td>Shed 2</td> <td>Raw material storage, printing, checking, packing</td> <td>NA</td> </tr> <tr> <td>Shed 3</td> <td>Raw Material Storage</td> <td>NA</td> </tr> <tr> <td>Shed 4</td> <td>Checking , packing, Dispatch</td> <td>NA</td> </tr> <tr> <td>Shed 5</td> <td>Raw material- Paper Storage</td> <td>NA</td> </tr> <tr> <td>Shed 6</td> <td>Canteen</td> <td>NA</td> </tr> <tr> <td>Shed 7</td> <td>Dormitory</td> <td>NA</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	Shed 1	Raw material storage, printing, checking, packing, finished goods storage	NA	Shed 2	Raw material storage, printing, checking, packing	NA	Shed 3	Raw Material Storage	NA	Shed 4	Checking , packing, Dispatch	NA	Shed 5	Raw material- Paper Storage	NA	Shed 6	Canteen	NA	Shed 7	Dormitory	NA	Is this a shared building?	No	
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Shed 7	Dormitory	NA																											
Is this a shared building?	No																												

	The factory adopted the electronic time recording to record the attendance of all employees. As informed by factory management, the factory arranged two shifts for all the employees. The main products manufactured by the factory is all kinds of Printed Note Books, Colouring Books, Diaries, Calendars, Wedding Cards, Stationery Materials and Packaging's. The main production processes are listed as follows: Raw Material Receipt-Designing- Cutting-Printing-Binding-Finishing-Dispatch A total of 550 employees are currently working in the facility. The employees work 6 days a week in two shifts. Working hours in the factory are as below:- General Shift Working Hours : 8.30 am to 5.00 pm Morning Tea break : 10.30am to 10.45am Lunch Break : 1.30pm to 2.00pm Evening Tea break : 4.30pm to 4.45pm Night Shift: 8.30 pm to 5.00am Break: 10.30pm to 10.45pm and 4.30am to 4.45am Meal Break : 1.30am to 2.00am Weekly off : Sunday The wages were calculated on bi monthly basis and paid once in 15 days. It was given to understand by the factory management that their production is consistent throughout the year. The factory extended their full cooperation during the audit. F1: Visible structural integrity issues (large cracks) observed? ☐ Yes ☒ No F2: Please give details: No cracks noted F3: Does the site have a structural engineer evaluation? ☒ Yes ☐ No F4: Please give details: Building stability certificate obtained. Valid till 27-09-2022
G: Site function:	☐ Agent ☒ Factory Processing/Manufacturer ☐ Finished Product Supplier ☐ Grower ☐ Homeworker ☐ Labour Provider ☐ Pack House ☐ Primary Producer

	☐ Service Provider ☐ Sub-Contractor
H: Month(s) of peak season: (if applicable)	No Obvious peak season
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Printed Note Books, Colouring Books, Diaries, Calendars, Wedding Cards, Stationery Materials and Packaging's. Raw Material Receipt-Designing- Cutting-Printing-Binding-Finishing-Dispatch 4 production lines Printing machines, cutting machines, packing , forklift, generator.
J: What form of worker representation / union is there on site?	☐ Union (name) ☒ Worker Committee ☐ Other (specify) ☐ None
K: Is there any night production work at the site?	☒ Yes ☐ No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	☒ Yes ☐ No L1: If yes, approx. 7 % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	☐ Yes ☒ No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	☒ Yes ☐ No N1: If no, please give details :

Audit Parameters

A: Time in and time out	Day 1 Time in: 10.00AM Day 1 Time out: 06.30PM	Day 2 Time in: 10.00AM Day 2 Time out: 4.30PM	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	2 auditors X 1.75 days (3.5 MD)		
C: Audit type:	☐ Full Initial ☒ Periodic ☐ Full Follow-up ☐ Partial Follow-Up ☐ Partial Other If other, please define:		
D: Was the audit announced?	☒ Announced ☐ Semi – announced: Window detail: weeks ☐ Unannounced		
E: Was the Sedex SAQ available for review?	☒ Yes ☐ No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes ☒ No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)			
H: Is further information available (If yes, please contact audit company for details)	☐ Yes ☒ No		
I: Previous audit date:	28-Dec-2018 & 29-Dec-2018		
J: Previous audit type:	Initial		
K: Were any previous audits reviewed for this audit	☒ Yes ☐ No ☐ N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives

A: Present at the opening meeting?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
B: Present at the audit?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
C: Present at the closing meeting?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	Nil		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	No Trade Union exists on site.		

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 or permanent resident 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*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	465	00	30	20	00	00	00	515
Worker numbers – female	235	00	00	00	00	00	00	235
Total	700	00	30	20	00	00	00	750
Number of Workers interviewed – male	24	00	03	03	00	00	00	30
Number of Workers interviewed – female	12	00	00	0	00	00	00	12
Total – interviewed sample size	39	00	03	03	00	00	00	42

A: Nationality of Management	Indian	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i>	Nationalities: B1: Nationality 1: <u>Indian (100%)</u> B2: Nationality2: _____ B3: Nationality3: _____	Was the list completed during peak season? ☐ Yes ☒ No If no, please describe how this may vary during peak periods: NA – No peak season in the facility.
C: Please provide more information for the three most common nationalities.	C: approx % total workforce: Nationality 1 <u>100%</u> C1: approx % total workforce: Nationality 2 _____ C2: approx % total workforce: Nationality 3 _____	
D: Worker remuneration (management information)	D: <u>0</u> % workers on piece rate D1: <u>0</u> % hourly paid workers D2: <u>100</u> % salaried workers Payment cycle: D3: _____ % daily paid D4: _____ % weekly paid D5: _____ % monthly paid D6: <u>100</u> % other – Bi monthly – twice in a month D7: If other, please give details	

Worker Interview Summary		
A: Were workers aware of the audit?	☒ Yes ☐ No	
B: Were workers aware of the code?	☒ Yes ☐ 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>	6 group of 5 employees	
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 6	D2: Female: 6
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>	☒ Yes ☐ No If no, please give details	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☒ Yes ☐ No	
G: In general, what was the attitude of the workers towards their workplace?	☒ Favourable ☐ Non-favourable ☐ Indifferent	
H: What was the most common worker complaint?	Nil	
I: What did the workers like the most about working at this site?	Health and Safety, Working Hours, Wages paid in time.	
J: Any additional comment(s) regarding interviews:	Nil	
K: Attitude of workers to hours worked:	Satisfied with working hours. Overtime work in factory.	
L. Is there any worker survey information available?		
☐ Yes ☒ No L1: 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>		

Through interview with workers, it was noted that all workers were satisfied with the factory and no negative comment was received.

- Management is issuing appointment order to all employees on the day of joining.
- Without age proof document, no employees appointed in facility.
- During the employees interview, it was found that employees were aware of their rights and duties.
- Employees had informed that electronic time recording is used to record timing.
- During employees interview noted that all of them receive wages in bimonthly basis once in 15 days.
- Employees informed that facility does not have any employees with age less than 18 years.
- Employees interview confirmed that they work voluntarily in the facility including overtime during any urgent needs.
- First aid training provided to employees.
- No discrimination found in any form in facility. Everyone is treated equally.
- Employees were satisfied with the working conditions inside facility. No issues raised by the employees on this issue.

N: Attitude of worker's committee/union reps:

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

Through interview with worker representative noted that they are satisfied with the management and no negative comment was received

O: Attitude of managers:

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

The factory management was found to be co-operative throughout the audit. Provided full access to auditor throughout the audit.

Audit Results by Clause

0A: Universal Rights covering UNGP

[\(Click here to return to summary of findings\)](#)

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:

The facility publishes a universal rights statement on the standing order,

Training given to any employees on the need to protect universal rights.

The terms and conditions for employees are stated in the employee contract and workers are trained in the grievance procedure

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

Details:

Standing order.

Employee terms and conditions,

Committee meeting records.

Training Records

Any other comments: Nil

A: Policy statement that expresses commitment to respect human rights?	☒ Yes ☐ No A1: Please give details: Policy developed and displayed at notice board.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	☒ Yes ☐ No Please give details: Name: Job title: HR Executive
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	☒ Yes ☐ No C1: Please give details: Facility has grievance committee and confidential suggestion boxes for confidential reporting and dealing with universal rights impacts without fear of reprisals towards the reporter
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	☒ Yes ☐ No D1: If no, please give details
E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☒ Yes ☐ No E1: Please give details: All employee information and personnel files are kept secured with management

Findings	
Finding: Observation ☐ Company NC ☐ Description of observation: None to report Local law or ETI/Additional elements / customer specific requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good examples observed:	
Description of Good Example (GE): No good examples noted beyond the basic requirements of the ETI base code or local law was observed	Objective Evidence Observed: Not applicable

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)	A1: Last year: ___3.0___ %	A2: This year ___6.0___ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	4.0	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: ___4.0___ %	C2: This year ___5.2___ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	5.6	
E: Are accidents recorded?	☒ Yes ☐ No E1: Please describe: No accidents happened. NIL Record maintained	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: 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	
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]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months ___0___% workers	I2: 12 months ___0___% workers
J: % of workers that work on average more than 60 total hours / week in the	J1: 6 months ___0___% workers	J2: 12 months ___0___% workers

last 6 / 12 months:

0B: Management system and Code Implementation

[\(Click here to return to summary of findings\)](#)

- 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:

The factory implements and maintains systems for delivering compliance to this Code.
 /MR is responsible for compliance with the Code

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

Details: During this audit, the social compliance policies, social compliance management manual, ETI Code of Conduct, Training Records, documents related to Control of suppliers and sub-contractors etc were reviewed

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?

☒ Yes
☐ No

A1: Please give details: No Fines

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes
☐ No

B1: Please give details: Policies and procedures available for verification. Precures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse

C: If Yes, is there evidence (an indication) of effective implementation? Please give details.

Yes. All the Workers are given training and factory has displayed all the policies in notice boards

D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	☒ Yes ☐ No D1: Please give details: All the employees are given training during induction itself and factory has displayed all the policies in notice boards
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☒ Yes ☐ No E1: Please give details: Training records available.
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).	☐ Yes ☒ No F1: Please give details:
G: Is there a Human Resources manager/department? If Yes, please detail.	☒ Yes ☐ No G1: Please give details: R.Rajesh/HR Executive is looking after HR activities.
H: Is there a senior person / manager responsible for implementation of the code	☒ Yes ☐ No H1: Please give details: MR is responsible for implementation of the code
I: Is there a policy to ensure all worker information is confidential?	☒ Yes ☐ No I1: Please give details: Policy developed and implemented
J: Is there an effective procedure to ensure confidential information is kept confidential?	☒ Yes ☐ No J1: Please give details: Procedures developed and implemented
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	☒ Yes ☐ No K1: Please give details: The facility conducts periodic risk assessment to evaluate the effectiveness of policy and procedure
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☒ Yes ☐ No L1: Please give details: Identified risks are prioritised and corrective actions are taken based on severity of risks.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	☒ Yes ☐ No M1: Please give details: ETI code and any relevant customer codes are communicated to its own suppliers.

Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	☒ Yes ☐ No N1: Please give details: Own Building
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?	☐ Yes ☒ No O1: Please give details: No system in place
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	☐ Yes ☒ No P1: If yes, how does the company obtain FPIC: NA
Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.	☐ Yes ☒ No Q1: Please give details: Own Building, hence not applicable
R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	☐ Yes ☒ No R1: Please give details: Own Building, hence not required
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	☐ Yes ☒ No S1: Please give details: No evidence found

Non-compliance:

1. Description of non-compliance:

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

Noted that facility has not amended Form-11- working hours approval by including three hours shift for security guards

ETI requirement

0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.

Local law requirement

In accordance with Tamil Nadu Factories Rules 1950, Chapter VI, Rule 79, the notice of periods of work for adults required under sub section (1) of section 61 of the act and the notice of periods of work for children required under sub-section (1) of section 72 of the act shall be in Form No.11 and shall be displayed in a conspicuous place at or near the entrance to the factory both in English and

Objective evidence observed:

(where relevant please add photo numbers)

Document Review

Tamil

Recommended corrective action:

Recommended to the facility to amend Form-11- working hours approval by including three hours shift for security guards.

Observation:
Description of observation:

None to report

Local law or ETI requirement:

Not Applicable

Comments:

Not Applicable

Objective evidence observed:

Not Applicable

Good Examples observed:
Description of Good Example (GE):

No good examples noted beyond the basic requirements of the ETI base code or local law was observed.

Objective evidence observed:

Not Applicable

1: Freely Chosen Employment

[\(Click here to return to summary of findings\)](#)

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:

1. Based on document review, the factory had a policy which prohibits forced labour.
2. From the facility tours and interview with employees, the factory does not limit the employees' freedom
3. Workers were not required to deposit original employees ID card with the facility for employment.

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

Details:

1. Documented policy on Forced Labour Policy
2. Wages paid records
3. Record of hiring / dismissal or deductions.
4. Personnel records of employees.
5. Recruitment Procedures.

Any other comments: Nil

A: Is there any evidence of retention of original documents, e.g. passports/ID's	☐ Yes ☒ No A1: If yes, please give details and category of workers affected: No Evidence
B: Is there any evidence of a loan scheme in operation	☐ Yes ☒ No B1: If yes, please give details and category of worker affected: No Evidence
C: Is there any evidence of retention of wages /deposits	☐ Yes ☒ No C1: If yes, please give details and category of worker affected: No Evidence
D: Are there any restrictions on	☐ Yes

workers' freedom to terminate employment?	☒ No D1: Please describe finding: No restrictions
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	☐ Yes ☐ No ☒ Not applicable E1: Please describe finding: NA
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	☐ Yes ☒ No F1: Please describe finding: No Evidence
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	☒ Yes ☐ No ☐ Not applicable G1: If yes, please give details and category of workers affected: Site aware of the risks. No workers affected.
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☒ Yes ☐ No H1: Please describe finding: Policies and procedures related to forced and traffic labour is established. No forced or trafficked employees engaged.

Non-compliance:

1. Description of non-compliance: ☐ NC against ETI ☐ NC against Local Law: ☐ NC against customer code: No non-compliance noted during the day of audit. Local law and/or ETI requirement Not Applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not Applicable
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Observation:

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

Good Examples observed:	
Description of Good Example (GE): No good examples noted beyond the basic requirements of the ETI base code or local law was observed.	Objective evidence observed: Not Applicable

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

[\(Click here to return to summary of findings\)](#)

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

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:

1. There was no union at the site.
2. Facility had provided confidential suggestion box and a grievance committee for the workers through which workers can raise their suggestions and complains if any.

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

Details:

1. Documented policy for Freedom of Association and Collective Bargaining
2. Standing order
3. Grievance committee/Grievance Policy
4. Interview with management and employee

Any other comments:Nil

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

effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	☐ No D1: Please give details: Workers welfare committee, Grievance committee, Health and safety committee, suggestion box D2: Is there evidence of free elections? ☒ Yes ☐ No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☒ Yes ☐ No E1: Please give details: Workers welfare committee, Grievance committee, Health and safety committee, suggestion box	
F: Name of union and union representative, if applicable:	N/A	F1: Is there evidence of free elections? ☐ Yes ☐ No ☒ N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Works Committee	G1: Is there evidence of free elections? ☒ Yes ☐ No ☐ N/A
H: Are all workers aware of who their representatives are?	☒ Yes ☐ No	
I: Were worker representatives freely elected?	☒ Yes ☐ No	I1: Date of last election: 01.04.2019
J: Do workers know what topics can be raised with their representatives?	☒ Yes ☐ No	
K: Were worker representatives/union representatives interviewed?	☒ Yes ☐ No If Yes, please state how many: 2	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Workers committee was conducted once in two months. Last meeting held on 20.11.2019. Employee's needs and workplace environment needs were discussed in general. Minutes of meeting displayed in notice board.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	☐ Yes ☒ No	
If Yes , what percentage by trade Union/worker representation	M1: <u>0</u> % workers covered by Union CBA	M2: <u>0</u> % workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	☐ Yes ☐ No	

Non-compliance:

1. Description of non-compliance:

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

No non-compliance noted during the day of audit.

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:

Description of observation:

None to report.

Local law or ETI requirement:

Not Applicable

Comments:

Not Applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

No good examples noted beyond the basic requirements of the ETI base code or local law was observed.

Objective evidence observed:

Not applicable

3: Working Conditions are Safe and Hygienic

[\(Click here to return to summary of findings\)](#)

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

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:

General Health and Safety Management:

1. /MR was appointed to be responsible to a healthy and safe work environment.
2. Potable water was freely available in all areas and test certificates were up-to-date.
3. Sufficient clean toilets segregated by gender were available at all the time to workers
4. Ventilation, temperature and lighting were adequate for the production processes
5. Minutes of meetings showed meetings between the H&S committee (workers) and the H&S manager, and each point was acted on. Meeting conducted once in two months.

Fire Safety

1. There were at least 2 exits in work areas and all exits were clearly marked
2. Fire-fighting equipment was adequate and checks were up-to-date.
3. Evacuation diagrams were posted in all areas and understood by all workers interviewed
4. Fire drills were organised and recorded every 2 months in factory
5. Training had been given by authorised third party relate to fire safety.

Electrical Safety

1. All electrical equipment was in good condition such as sockets, plugs, switches and main fuse boards.
2. There were competent sub contracted electrician and training certificates were available for review

Chemical Safety

1. Diesel and printing dyes is used by facility. - Material Safety Data Sheets were available

Medical Services

1. There were adequate first aid kits in each production area and they were well stocked except first aid box located in security cabin.
2. There were 15 first aiders and when a selection was interviewed, they confirmed that they had been trained by authorised third party.

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

Details:

1. Documented Health & Safety Policy

2. First-aid training record – dated 30.04.2019
3. Maintenance record of Fire equipment and emergency equipment
4. Building construction and maintenance certificates - valid till 27.09-2022
5. Emergency procedures
6. Warnings and labels in local language.
7. Drinking Water test – valid till 14.10.2020
8. Toilets and sanitation.
9. Personal protective equipment
10. H&S Training
11. First Aid boxes -12
12. Emergency lights, fire alarm installed.
13. Test reports on air quality and noise level valid till 14.10.2020
14. Health and safety committee minutes – last meeting on 01.11.2019
15. Fire drill records – last drill on 18.11.2019
16. Interviews with HSR
17. Interviews with workers and H&S committee members

Any other comments: Nil

A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	☒ Yes ☐ No A1: Please give details: Facility has developed and implemented Health and safety policy and procedures. The same was communicated to employees through training. Policy was also displayed at prominent place.
B: Are the policies included in workers' manuals?	☒ Yes ☐ No B1: Please give details: Facility has provided the policies to workers. The same was displayed at prominent place.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☒ No C1: Please give details: Structural changes are made after getting prior approval from concerned authority.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	☒ Yes ☐ No D1: Please give details: Informed on H&S and PPE requirements.
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.	☐ Yes ☒ No E1: Please give details: NA-as per law.
F: Is there a doctor or nurse on site or	☒ Yes

there is easy access to first aider/ trained medical aid?	☐ No F1: Please give details: First aid trained employees available onsite. First aid medicines available for first aid.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	☒ Yes ☐ No G1: Please give details: Transportation provided. Buses used for transportation, which is fit, safe, maintained and operated by competent persons.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	☐ Yes ☒ No H1: Please give details: Secured storage space not provided to workers.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	☒ Yes ☐ No I1: Please give details: H&S risk assessments conducted. Facility take appropriate control measures to reduce the risks.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	☒ Yes ☐ No J1: Please give details: Facility has obtained sanitary certificate.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	☒ Yes ☐ No K1: Please give details: Facility is using diesel and printing dyes. No banned chemicals used in facility.

Non-compliance:

1. Description of non-compliance:

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

Noted that insufficient medicines noted in first aid box located in security guard cabin

ETI requirement

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.

Local law requirement

Objective evidence observed:

(where relevant please add photo numbers)

Facility Tour
NC Photo-1

In accordance with Factories Act 1948, Chapter V, Section 45 (1) there shall in every factory be provided and maintained so as to be readily accessible during all working hours first aid boxes equipped with the prescribed contents. First aid boxes with prescribed medicines and number of such first aid boxes to be provided and maintained shall not be less than one for every 150 workers. (2) Nothing except the prescribed contents shall be kept in a first-aid box or cupboard.

Recommended corrective action:

Recommended to the facility to ensure that all first aid boxes are provided with sufficient medicines.

2. Description of non-compliance:

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

Noted that smoke detectors not provided in final packing area

ETI requirement

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.

Local law requirement

In accordance with The Factories Act, 1948: Section 38(1b) (1) In every factory, all practicable measures shall be taken to prevent outbreak of fire and its spread, both internally and externally, and to provide and maintain (b) the necessary equipment and facilities for extinguishing fire

Recommended corrective action:

Recommended to the facility to provide smoke detectors in final packing area.

3. Description of non-compliance:

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

Noted that one pathway blocked by pasting machine in pasting area.

ETI requirement

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.

Local law requirement

Facility Tour
NC PHOTO 2

Facility Tour
NC PHOTO-3

In accordance with Factories Act (1948), Amendment(1976),Sec.32(a) In every factory, all floors, steps, stairs, passages and gangways shall be of sound construction and properly maintained and shall be kept free from obstructions and substances likely to cause persons to slip, and where it is necessary to ensure safety, steps, stairs, passages, and gangways shall be provided with substantial handrails

Recommended corrective action:

Recommended to the facility to ensure that all pathways are free from obstruction at any point of time.

4. Description of non-compliance:

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

Noted that handrail not provided in loading area located in first production shed.

ETI requirement

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.

Local law requirement

In accordance with Factories Act (1948), Amendment(1976),Sec.32(a) In every factory, all floors, steps, stairs, passages and gangways shall be of sound construction and properly maintained and shall be kept free from obstructions and substances likely to cause persons to slip, and where it is necessary to ensure safety, steps, stairs, passages, and gangways shall be provided with substantial handrails

Recommended corrective action:

Recommended to the facility to provide handrails in first production shed loading area

Facility tour
NC Photo-4

Observation:

Description of observation:

None to report.

Local law or ETI requirement:

Not Applicable

Recommended corrective action:

Objective evidence observed:

Not Applicable

Not Applicable	
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Good Examples observed:	
Description of Good Example (GE): No good examples noted beyond the basic requirements of the ETI base code or local law was observed	Objective Evidence Observed: Not Applicable

4: Child Labour Shall Not Be Used

[\(Click here to return to summary of findings\)](#)

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

ETI

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

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

Current systems:

1.The facility has established following system to ensure no recruitment of child labour:

a) Facility verifies the original proof of age document during the pre-employment interview and a copy is maintained in the personal file of the employee.

b) Facility had established child labour remediation policy.

2. From facility tour, physical appearance of employees and interviews with management, there was no evidence of child labour or young labour employed by the facility.

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

Details:

1. Documented Policy on Child Labour Prevention.
2. Child labour remediation policy displayed.
3. Age proof record of employees
4. Physical appearance of employees
5. Interview with the employees.

Any other comments: Nil

A: Legal age of employment:	14 -18 years with restriction, 18 Years completed without restriction.
B: Age of youngest worker found:	19 years
C: Are there children present on the work floor but not working at the time of audit?	☐ Yes ☒ No
D: % of under 18's at this site (of total workers)	0 %

E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	☐ Yes ☒ No E1: If yes, give details : No workers engaged below 18 years. No hazardous substances used by facility
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Non-compliance:

1. Description of non-compliance: ☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code: No non-compliance noted during the day of audit. Local law and/or ETI requirement: Not Applicable Recommended corrective action: Not Applicable	Objective evidence observed: (where relevant please add photo numbers) Not Applicable
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Observation:

Description of observation: None to report. Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable
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Good Examples observed:

Description of Good Example (GE): No good examples noted beyond the basic requirements of the ETI base code or local law was observed.	Objective Evidence Observed: Not Applicable
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5: Living Wages are Paid

[\(Click here to return to summary of findings\)](#)

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

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:

1. Applicable minimum wages paid to all the employees. Wage slips were being issued to all employees.
2. No deductions were made from the wages of the workers as a disciplinary measure.
3. Wages were paid in time in bimonthly basis once in 15 days .
4. Company had a documented system to comply with applicable laws to ensure that the wages paid are in conformance to the standard and applicable local laws.
5. The company had established Policy and Procedures to ensure that the wages paid to the employees always be enough to meet basic need.

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

Details:

1. Wage record & payroll record verified from Nov 2018 to audit date.
2. Record for deductions from wages.
3. Payslips verified.
4. Worker interview
5. Local and national laws
6. Wages and benefits policy
7. Local legal minimum wage documents

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

Objective evidence observed:

(where relevant please

No non-compliance noted during the day of audit. Local law and/or ETI requirement: Not Applicable Recommended corrective action: Not Applicable	add photo numbers) Not applicable
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Observation:	
Description of observation: None to Report. Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not Applicable

Good Examples observed:	
Description of Good Example (GE): No good examples noted beyond the basic requirements of the ETI base code or local law was observed.	Objective Evidence Observed: Not Applicable

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 48 hours/week	A1: 48 hours/week	A2: ☐ Yes ☒ No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 2 hours per day, 12 hours per week and 50 hours per	B1: 1 hour per day, 6 hours per week and 18 hours per month	B2: ☐ Yes ☒ No

	quarter		
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 7540/month	C1: 7540/month	C2: ☐ Yes ☒ No
D: Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 200% of normal wages	D1: 200% of normal wages	D2: ☐ Yes ☒ No

Wages analysis:

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

A: Were accurate records shown at the first request?	☒ Yes ☐ No	
A1: If No , why not?	NA	
B: Sample Size Checked (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)	42 Samples for Oct 2019 (Current month) 42 Samples for May 2019 (Random month) 42 Samples for Mar 2019 (Random month)	
C: Are there different legal minimum wage grades? If Yes , please specify all.	☐ Yes ☒ No	C1: If Yes , please give details:
D: If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☒ N/A	D1: If No , please give details:
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	☒ Below legal min ☐ Meet ☐ Above	E1: Lowest actual wages found: Note: full time employees and please state hour / week / month etc. INR7540/month
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: _15_ % of workforce earning minimum wage F3: _85_ % of workforce earning above minimum wage	
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: 8.33% of earned yearly wage Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.	

H: What deductions are required by law e.g. social insurance? Please state all types:	1.ESI(Employees State Insurance) 2.PF (Provident Fund)		
I: Have these deductions been made?	☒ Yes ☐ No	I1: Please list all deductions that have been made.	1. ESI(Employees State Insurance) 2. PF (Provident Fund) Please describe: ES and PF are the two mandatory social security benefits required by law, and the same is deducted every month and remitted to appropriate authority.
		I2: Please list all deductions that have not been made.	1. Nil 2. Please describe:
J: Were appropriate records available to verify hours of work and wages?	☒ Yes ☐ No		
K: Were any inconsistencies found? (if yes describe nature)	☐ Yes ☒ No	K1: Type ☐ Poor record keeping ☐ Isolated incident ☐ 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)	☒ Yes ☐ No L1: Please give details: Time records and other records matches. No inconsistencies noted.		
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>	☐ Yes ☒ No M1: Please specify amount/time:		
M2: If yes, what was the calculation method used.	☐ ISEAL/Anker Benchmarks ☐ Asia Floor Wage ☐ Figures provided by Unions ☐ Living Wage Foundation UK ☐ Fair Wear Wage Ladder ☐ Fairtrade Foundation Other – please give details:		
N: Are there periodic reviews of wages? If Yes give details (include	☒ Yes ☐ No		

whether there is consideration to basic needs of workers plus discretionary income).	N1: Please give details: Review based on update of minimum wages by appropriate government.
O: Are workers paid in a timely manner in line with local law?	☒ Yes ☐ No
P: Is there evidence that equal rates are being paid for equal work:	☒ Yes ☐ No P1: Please give details: Equal rates paid to equal work. Confirmed through interview and wage record review.
Q: How are workers paid:	☒ Cash ☐ Cheque ☒ Bank Transfer ☐ Other Q1: If other, please explain:

6: Working Hours are not Excessive

[\(Click here to return to summary of findings\)](#)

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

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:

1. The company uses electronic time recording to record employees in & out time.
2. Review of time records from Nov 2018 to audit date and workers interview, show that no overtime had been carried out in the facility.
3. The facility worked in a single shift. The employees work 6 days a week.
4. Regular hours were 48hrs/week.
5. All employees receive at least one day off in every seven day period.
6. The working hours were displayed on the notice board.

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

Details:

1. Time Record (In-Out) record from Nov 2018 to audit date

2. Payroll records.
3. Working hour's policy.

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

No non-compliance noted during the day of audit.

Local law and/or ETI requirement:

Not Applicable

Recommended corrective action:

Not Applicable

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

Not applicable

Observation:

Description of observation:

None to Report.

Local law or ETI requirement:

Not applicable.

Comments:

Not applicable.

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

No good examples noted beyond the basic requirements of the ETI base code or local law was observed.

Objective Evidence Observed:

Not applicable

Working hours' analysis

Please include time e.g. hour/week/month (Go back to Key information)			
Systems & Processes			
A. What timekeeping systems are used: time card etc.	Describe: Electronic time recording.		
B: Is sample size same as in wages section?	☒ Yes ☐ No B1: If no, please give details		
C: Are standard/contracted working hours defined in all contracts/employment agreements?	☒ Yes ☐ No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:	
D: Are there any other types of contracts/employment agreements used?	☐ Yes ☒ No	D1: If YES, please complete as appropriate:	
		☐ 0 hrs ☐ Part time ☐ Variable hrs ☐ Other	
		If "Other", Please define:	
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	☐ Yes ☒ No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details:	
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: ☒ 1 in 7 days ☐ 2 in 14 days ☐ No If 'No', please explain:	F3: Is this allowed by local law? ☒ Yes ☐ No	
	Maximum number of days worked without a day off (in sample):		
	Maximum 6 days worked without a day off.		
Standard/Contracted Hours worked			

G: Were standard working hours over 48 hours per week found?	☐ Yes ☒ No	G1: If yes, % of workers & frequency: NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	☐ Yes ☒ No	H1: If yes, please give details: NA
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 1 hour/day, 6 hours/week and 18 hours/month in Oct 2019 1 hour/day, 6 hours/week and 18 hours/month in May 2019 1 hour/day, 6 hours/week and 18 hours/month in Mar 2019	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	☐ Yes ☒ No	
K: Approximate percentage of total workers on highest overtime hours:	_20_ %	
L: Is overtime voluntary?	☒ Yes ☐ No ☐ Conflicting Information	L1: Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements: Employment contract states OVERTIME IS VOLUNTARY. The same is confirmed through trainings, payroll records and interviews.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	☒ Yes ☐ No ☐ N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages: 200% of normal wages
N: Is overtime paid at a premium?	☒ Yes ☐ No	N1: If yes, please describe % of workers & frequency: Around 20% of workers and worked on voluntary basis on urgent business needs.

O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.	☐ No ☐ Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) ☐ Collective Bargaining agreements ☐ Other
	O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other
	NA
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.	☐ Overtime is voluntary ☐ Onsite Collective bargaining allows 60+ hours/week ☐ Safeguards are in place to protect worker's health and safety ☐ Site can demonstrate exceptional circumstances ☐ Other reasons (please specify)
	P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:
	NA
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	☐ Yes ☒ No Q1: If yes, please give details:
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	☐ Yes ☒ No

7: No Discrimination is Practiced

[\(Click here to return to summary of findings\)](#)

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:

1. From review of documentation and interviews with employees, there was no case of discrimination based on gender, religion etc. in hiring, compensation, access to training, promotion, termination or retirement
2. The human resource department is responsible for the investigation and disposal of discrimination case.
3. Facility had provided suggestion boxes, which is opened on regular basis.
4. The factory provides equal access to employment as well as equal pay for equal work.

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

Details:

1. Documented policy on Discrimination.
2. Interaction with the employees.
3. Hiring procedure, compensation, access to training, promotion, termination or retirement

Any other comments: Nil

A: Gender breakdown of Management + Supervisors (Include as one combined group)	A1: Male: __50__ % A2: Female __50__ %
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 Staffs
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?:	☐ Hiring ☐ Compensation ☐ Access to training ☐ Promotion ☐ Termination or retirement ☒ No evidence of discrimination found C1: Please give details:

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Professional Development

A: What type of training and development are available for workers?	H&S safety training, Induction Training, Training on standard requirements
---	--

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	☒ Yes ☐ No If no, please give details:
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Non-compliance:	
1. Description of non-compliance: ☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code: No non-compliance noted during the day of audit. Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable

Observation:	
Description of observation: None to Report. Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not applicable

Good Examples observed:

Description of Good Example (GE):

No good examples noted beyond the basic requirements of the ETI base code or local law was observed

Objective Evidence Observed:

Not applicable

8: Regular Employment Is Provided

[\(Click here to return to summary of findings\)](#)

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

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:

1. Through interaction with the management & interview with the employees, it was noted that there was no temporary workers employed in the facility.
2. No home-working was used by factory.

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

Details: Personal files of employees.

Any other comments: Nil

Non-compliance:

1. Description of non-compliance: ☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code: No non-compliance noted during the day of audit. Local law and/or ETI requirement: Not applicable Recommended corrective action: Not applicable	Objective evidence observed: <i>(where relevant please add photo numbers)</i> Not applicable
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Observation:	
Description of observation: None to Report. Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): No good examples noted beyond the basic requirements of the ETI base code or local law was observed.	Objective Evidence Observed: Not applicable

Responsible Recruitment

All Workers	
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?	☒ Terms & Conditions presented ☒ Understood by workers ☒ Same as actual conditions A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of	☐ Yes ☒ No B1: If yes, please describe details and specific category(ies) of workers

recruitment/placement?	affected:
C: If yes, check all that apply:	☐ Recruitment / hiring fees ☐ Service fees ☐ Application costs ☐ Recommendation fees ☐ Placement fees ☐ Administrative, overhead or processing fees ☐ Skills tests ☐ Certifications ☐ Medical screenings ☐ Passports/ID's ☐ Work / resident permits ☐ Birth certificates ☐ Police clearance fees ☐ Any transportation and lodging costs after employment offer ☐ Any transport costs between work place and home ☐ Any relocation costs after commencement of employment ☐ New hire training / orientation fees ☐ Medical exam fees ☐ Deposit bonds or other deposits ☐ Any other non-monetary assets ☐ Other – C1: If other, please give details:
D: If any checked, give details:	NA

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 or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity

A: Type of work undertaken by migrant workers:	Production, Helpers	
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: Total number of (outside of local country) recruitment agencies used: 0 Workers are directly recruited. No agencies used	
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	☒ Yes ☐ No C1: Please describe finding:	C2: Observations: Nil
D: Are Any migrant workers in skilled, technical, or management roles Migrant Workers (this should include all migrant workers including permanent	☐ Yes ☒ No D1: If yes, number and example of roles:	

workers, temporary and/or seasonal workers)

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	☐ Yes ☒ No
B: If yes, check all that apply:	☐ Recruitment / hiring fees ☐ Service fees ☐ Application costs ☐ Recommendation fees ☐ Placement fees ☐ Administrative, overhead or processing fees ☐ Skills tests ☐ Certifications ☐ Medical screenings ☐ Passports/ID's ☐ Work / resident permits ☐ Birth certificates ☐ Police clearance fees ☐ Any transportation and lodging costs after employment offer ☐ Any transport costs between work place and home ☐ Any relocation costs after commencement of employment ☐ New hire training / orientation fees ☐ Medical exam fees ☐ Deposit bonds or other deposits ☐ Any other non-monetary assets ☐ Other B1- If other, please give details:
C: If any checked, give details:	NA

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):	A1: Names if available: NA
B: Were agency workers' age / pay / hours included within the scope of this audit?	☐ Yes ☐ No NA – No agency employees engaged by facility
C: Were sufficient documents for agency workers available for review?	☐ Yes ☐ No NA – No agency employees engaged by facility

D: Is there a legal contract / agreement with all agencies?	☐ Yes ☐ No D1: Please give details: NA – No agency employees engaged by facility
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	☐ Yes ☐ No E1: Please give details: NA – No agency employees engaged by facility

Contractors: <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?	☒ Yes ☐ No A1: If yes, how many contractors are present, please give details: 1 registered contractors engaged by the facility
B: If Yes , how many workers supplied by contractors?	30 workers
C: Do all contractor workers understand their terms of employment?	☒ Yes ☐ No C1: Please describe finding:
D: If Yes , please give evidence for contractor workers being paid per law:	Contract workers are paid as per legal minimum wages applicable to type of work they are engaged.

8A: Sub-Contracting and Homeworking

[\(Click here to return to summary of findings\)](#)

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

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:

Facility is not using any subcontractors. Production documents were verified.
Facility is not using any home workers.

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

Factory tour, production records, material in/out record.

Details: Nil

Non-compliance:

1. Description of non-compliance:

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

No non-compliance noted during the day of audit.

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:

Description of observation:

None to Report.

Local law or ETI/Additional elements requirement:

Not Applicable

Comments:

Not Applicable

Objective evidence observed:

Not applicable

Good Examples observed:

Description of Good Example (GE):

No good examples noted beyond the basic requirements of the ETI base code or local law was observed.

Objective Evidence Observed:

Not applicable

Summary of sub-contracting – if applicable

☒ Not Applicable please x

A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting

☐ Yes

☐ No

A1: Please describe:

B: If sub-contractors are used, is there evidence this has been agreed with the main client?

☐ Yes

☐ No

B1: If **Yes**, summarise details:

C: Number of sub-contractors/agents used:

D: Is there a site policy on sub-contracting?

☐ Yes

☐ No

D1: If **Yes**, summarise details:

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?	☐ Yes ☐ No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	☐ Directly ☐ Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	☐ Yes ☐ No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?	☐ Yes ☐ No G1: Please give details:		
H: Are full records of homeworkers available at the site?	☐ Yes ☐ No		

9: No Harsh or Inhumane Treatment is Allowed

[\(Click here to return to summary of findings\)](#)

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

A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3 rd party?	☒ Yes ☐ No A1: Please give details: Suggestion box, committee meetings
B: If Yes , are workers aware of these channels and have access? Please give details.	Workers were given awareness on grievance mechanisms.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion boxes, committee meetings, and can directly inform top management.
D: Which of the following groups is there a grievance mechanism in place for?	☒ Workers ☐ Communities ☐ Suppliers ☐ Other D1: Please give details: Suggestion box
E: Are there any open disputes?	☐ Yes ☒ No E1: If yes, please give details
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)?	☐ Yes ☒ No F1: If no, please give details: Not discussed with business partners
G: Is there a published and transparent disciplinary procedure?	☒ Yes ☐ No G1: If no, please explain
H: If yes, are workers aware of these the disciplinary procedure?	☒ Yes ☐ No H1: If no, please give details

I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?

- ☐ Yes
☒ No

II: 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:

1. Through the interview with the factory management and employees, it was noted that no case of harsh, inhumane or abuse of the employees were noted.

2. Base on the facility's disciplinary policies, below issues were forbidden :

- Physical harassment.
- Illegal movement during working hours.
- Abuse & threat.
- Mental harassment.
- Any types of sexual harassment

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

Details:

1. Documented policy on Anti-Harassment and Forced Labour
2. Interview with the employees.

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

No non-compliance noted during the day of audit.

Local law and/or ETI requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

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Observation:	
Description of observation: None to Report. Local law or ETI requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not applicable

Good Examples observed:	
Description of Good Example (GE): No good examples noted beyond the basic requirements of the ETI base code or local law was observed.	Objective Evidence Observed: Not applicable

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:

1. Facility has not employed any foreign nationals.
2. There are no immigration workers in the facility.

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

Details: Personnel files of employees

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

No non-compliance noted during the day of audit.

Local law and/or ETI /Additional Elements requirement:

Not applicable

Recommended corrective action:

Not applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not applicable

Observation:

Description of observation: None to Report. Local law or ETI/Additional Elements requirement: Not Applicable Comments: Not Applicable	Objective evidence observed: Not applicable
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Good examples observed:	
Description of Good Example (GE): No good examples noted beyond the basic requirements of the ETI base code or local law was observed.	Objective Evidence Observed: Not applicable

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

[\(Click here to return to summary of findings\)](#)

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:

The facility tour covered Health & Safety & Environmental Policy is displayed at conspicuous locations, which commits to continually improve the performance of environmental issues.

The factory has obtained sanitary certificate

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

All legally required environmental documents were provided for review.

Environmental policy

Energy bills

Water consumption bill

Waste transfer documentation
Worker and management interview.
Site tour
Environmental System Manual.
Environment Training
Environment Legal Register
Details:

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

No non-compliance noted during the day of audit.

Local law and/or ETI requirement:

Not Applicable

Recommended corrective action:

Not Applicable

Objective evidence observed:

(where relevant please add photo numbers)

Not Applicable

Observation:

Description of observation:

None to Report.

Local law or ETI requirement:

Not Applicable

Comments:

Not Applicable

Objective evidence observed:

Not Applicable

Good examples observed:

Description of Good Example (GE):

No good examples noted beyond the basic requirements of the ETI base code or local law was observed.

Objective Evidence Observed:

Not Applicable

Environmental Analysis	
<i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	MR
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	☒ Yes ☐ No B1: Please give details: The factory has conducted ERA on dated 01.11.2019 including risks and controls
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	☐ Yes ☒ No C1: Please give details: No recognised environmental system certification
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	☒ Yes ☐ No D1: If yes, is it publicly available? Displayed at main notice boards
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	☒ Yes ☐ No E1: Please give details: Policy has addressed
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	☐ Yes ☒ No NA
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	☐ Yes ☒ No G1: Please give details: Site does not have any sustainability certifications
H: Have all legally required permits been shown? Please give details.	☒ Yes ☐ No H1: Please give details: Sanitary Certificate
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	☐ Yes ☐ No ☒ N/A I1: Please give details: There is no hazardous chemicals used in process
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	☒ Yes ☐ No J1: Please give details: They have policy and also testing product as per customer specified requirements
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	☒ Yes ☐ No K1: Please give details: Energy consumption by 5 % and Water consumption by 5% in six months, GHG air emission by 5%
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	☒ Yes ☐ No L1: Please give details: Records on waste recycling

	and monitoring maintained.	
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	☒ Yes ☐ No M1: Please give details: Records are maintained	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	☒ Yes ☐ No N1: Please give details: There is no subcontracting	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: 2018	Current Year: Please state period: 2019 till date
Electricity Usage: Kw/hrs	200000 units/month	200000 units/month
Renewable Energy Usage: Kw/hrs	NA	NA
Gas Usage: Kw/hrs	NA	NA
Has site completed any carbon Footprint Analysis?	☐ Yes ☒ No	☐ Yes ☒ No
If Yes , please state result	NA	
Water Sources: Please list all sources e.g. lake, river, and local water authority.	- Local Water authority - Borewell	- Local Water authority - Borewell
Water Volume Used: (m ³)	8200 litre per day	8200 litre per day
Water Discharged: Please list all receiving waters/recipients.	- Domestic waste water treated through STP, and treated water used for gardening - Dyes waste water treated in ETP and treated water used for gardening	- Domestic waste water treated through STP, and treated water used for gardening - Dyes waste water treated in ETP and treated water used for gardening
Water Volume Discharged: (m ³)	8000 ltrs	8000 ltrs
Water Volume Recycled:	Recycled – 8000 ltrs	Recycled – 8000 ltrs

(m ³)		
Total waste Produced (please state units)	100kgs/day of paper wastes	100kgs/day of paper wastes
Total hazardous waste Produced: (please state units)	NA	NA
Waste to Recycling: (please state units)	100kgs/day of paper wastes	100kgs/day of paper wastes
Waste to Landfill: (please state units)	NA	NA
Waste to other: (please give details and state units)	NA	NA
Total Product Produced (please state units)	500000 pieces	510000 pieces

10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to summary of findings\)](#)

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:

MR was the designated person responsible for implementing standards concerning Business Ethics, and it was observed that , the site does not indulge in corrupt and discriminative practices

The company has established a business ethics policy which was communicated to workers through posters and training.

The site had received and read the Business Ethics policy of the auditor/audit company

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

Details:

The company business ethics policy including

Anti Bribery Policy

Anti Corruption Policy

Worker Interviews
Reports from Anonymous email account records

Any other comments: Nil

Non-compliance:

1. Description of non-compliance:

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

No non-compliance noted during the day of audit.

Local law and/or ETI requirement:

Not Applicable

Recommended corrective action:

Not Applicable

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

Not Applicable

Observation

Description of observation:

None to Report.

Local law or ETI requirement:

Not Applicable

Comments:

Not Applicable

Objective evidence observed:

Not Applicable

Good examples observed:

Description of Good Example (GE):

No good examples noted beyond the basic requirements of the ETI base code or local law was observed.

Objective Evidence Observed:

Not Applicable

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	☒ Internal Policy ☒ Policy for third parties including suppliers A1: Please give details: Have Business ethics policy and communicated to all interested parties
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	☒ Yes ☐ No B1: Please give details: Factory has given training to sales, Purchase personnel on same topic
C: Is the policy updated on a regular (as needed) basis?	☒ Yes ☐ No C1: Please give details: Yes facility has system to update policy if required
D: Does the site require third parties including suppliers to complete their own business ethics training	☐ Yes ☒ No D1: Please give details: Not required at present. Not implemented

Other findings

Other Findings Outside the Scope of the Code
Nil

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

Appendix 1

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."

☒ Not Applicable please x

Photo Form

		
NAME BOARD	FACTORY VIEW	WORKING HOURS DISPLAYED
		
ETI CODE DISPLAYED	NOTICE BOARD	EMERGENCY NUMBERS DISPLAYED
		
CHECKING/PASTING	PRODUCTION	PRODUCTION

		
PRINTING	PRODUCTION	CANTEEN
		
EXIT MARKED/EMERGENCY LIGHT	FIRE ALARM CALL POINT/FIRST AID BOX	FIRE EXTINGUISHER
		
AMBULANCE	DRINKING WATER	PATHWAYS MARKED
		NA

FIRE ALARM	FIRE HYDRANT	NA
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NC PHOTO 1 – INSUFFICIENT MEDICINES IN FIRST AID BOX	NC PHOTO 2 – SMOKE DETECTOR NOT PROVIDED	NC PHOTO 3 – PATHWAY BLOCKED BY TABLE

		
NC PHOTO 4 – HANDRAIL NOT PROVIDED		



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

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

<https://www.surveymonkey.co.uk/r/BRTVCKP>

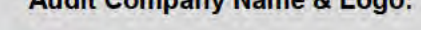


SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details				
Sedex Company Reference: (only available on Sedex System)			Sedex Site Reference: (only available on Sedex System)	
Business name (Company name):				
Site name:				
Site address: (Please include full address)	Tamil Nadu,		Country:	India
Site contact and job title:				
Site phone:			Site e-mail:	
SMETA Audit Pillars:	☒ Labour Standards	☒ Health & Safety (plus Environment 2-Pillar)	☒ Environment 4-pillar	☒ Business Ethics
Date of Audit:	25-Nov-2019 & 26-Nov-2019			

Audit Company Name & Logo: Leverage Limited 	Report Owner (payer): <i>(If paid for by the customer of the site please remove for Sedex upload)</i>
--	---

Audit Conducted By					
Affiliate Audit Company	☒	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi-stakeholder	☐		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 6.1 (March 2019) 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): Nil

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

Lead auditor: Subbarayan Kumareshan

Team auditor: P.Prabhavathi

Interviewers: Subbarayan Kumareshan and P.Prabhavathi

Report writer: Subbarayan Kumareshan

Report reviewer: Roy Zhu

Date of declaration: 26-Nov-2019

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.

Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 10.00AM Day 1 Time out: 06.30PM	Day 2 Time in: 10.00AM Day 2 Time out: 4.30PM	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	2 auditors X 1.75 days (3.5 MD)		
C: Audit type:	☐ Full Initial ☒ Periodic ☐ Full Follow-up ☐ Partial Follow-Up ☐ Partial Other If other, please define:		
D: Was the audit announced?	☒ Announced ☐ Semi – announced: Window detail: weeks ☐ Unannounced		
E: Was the Sedex SAQ available for review?	☒ Yes ☐ No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes ☒ No If Yes, please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)			
H: Is further information available (if yes, please contact audit company for details)	☐ Yes ☒ No		
I: Previous audit date:	28-Dec-2018 & 29-Dec-2018		
J: Previous audit type:	Initial		
K: Were any previous audits reviewed for this audit	☒ Yes ☐ No ☐ N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives

A: Present at the opening meeting?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
B: Present at the audit?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
C: Present at the closing meeting?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	Nil		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	No Trade Union exists on site.		

Guidance

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

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

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

Root cause (see column 4)

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

See SMETA BPG Chapter 7 'Audit Execution' for more explanation of "root cause".

Next Steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, non-compliances, observations and good examples. If you have not already received instructions on how to do this then please visit the web site www.sedexglobal.com.
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit www.sedexglobal.com web site for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via Sedex or by Follow-up Audit (see point 5).
5. Some non-compliances that cannot be closed off by "Desk-Top" review may need to be closed off via a "1 Day Follow Up Audit" charged at normal fee rates. If this is the case, then the site will be notified after its submission of documentary evidence relating to that non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).

Corrective Action Plan

Corrective Action Plan – non-compliances									
Non-Compliance Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Non-Compliance <i>Details of Non-Compliance</i>	Root cause <i>(completed by the site)</i>	Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i>	Timescale <i>(Immediate, 30, 60, 90, 180, 365)</i>	Verification Method <i>Desktop / Follow-Up [D/F]</i>	Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i>	Verification Evidence and Comments <i>Details on corrective action evidence</i>	Status <i>Open/Closed or comment</i>
NC1 0.Management System and Code Implementation -1		Noted that facility has not amended Form-11-working hours approval by including three hours shift for security guards.	☐ Training ☒ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	Recommended to the facility to amend Form-11-working hours approval by including three hours shift for security guards.	30	Desktop	HR Executive		
NC2 3.Health and Safety -1		Noted that insufficient medicines noted in first aid box located in security guard cabin.	☐ Training ☒ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	Recommended to the facility to ensure that all first aid boxes are provided with sufficient medicines.	30	Desktop	HR Executive		
NC3 3.Health and Safety -2		Noted that smoke detectors not provided in final packing area.	☐ Training ☒ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	Recommended to the facility to provide smoke detectors in final packing area.	30	Desktop	HR Executive		
NC4 3.Health and		Noted that one pathway blocked by pasting	☐ Training ☒ Systems	Recommended to the facility to	30	Desktop	HR Executive		

Safety -3		machine in pasting area.	☐ Costs ☐ lack of workers ☐ Other – please give details:	ensure that all pathways are free from obstruction at any point of time.					
NC5 3.Health and Safety -4		Noted that handrail not provided in loading area located in first production shed..	☐ Training ☒ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	Recommended to the facility to provide handrails in first production shed loading area .	30	Desktop	HR Executive		

Corrective Action Plan – Observations

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

Good examples

Good example Number <i>The reference number of the good example from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
Nil		

Confirmation

Please sign this document confirming that the above findings have been discussed with and understood by you: (site management) <i>If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.</i>		
A: Site Representative Signature:		Title: Director Date : 26-Nov-2019
B: Auditor Signature:	Mr.S.Kumareshan	Title : Lead Auditor Date : 26-Nov-2019
C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.		
D: I dispute the following numbered non-compliances:		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)		Title Date
F: Any other site Comments:		

Guidance on Root Cause

Explanation of the Root Cause Column

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

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

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

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

Some examples of finding a "root cause"

Example 1

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

Example 2

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

Example 3

A site uses fines to control unacceptable behaviour of workers.

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

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

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

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

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



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

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

<https://www.surveymonkey.co.uk/r/BRTVCKP>