



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC5000035025	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS1000040996	
Business name (Company name):	IDEAL (PVT) LTD			
Site name:	IDEAL (PVT) LTD			
Site address:	Ideal Center, A-18, 19 Block 7 & 8 K.C.H.S.U KARACHI 75350 PK	Country:	PK	
Site contact and job title:	Muhammad Essa Ismail. / HR MANAGER			
Site phone:	0213454244	Site e-mail:	fawadijazkhan@hotmail.com	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-07-10			

Audit Company Name:
Intertek Pakistan

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

Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (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.

Auditor Team			
Lead Auditor:	Adil Khalil	APSCA Number:	21704930
Additional Auditors:			
Date of declaration:	2024-07-12		

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.

Site Representation	
Full Name:	Muhammad Essa Ismail.
Title:	HR MANAGER
Date of declaration:	2024-07-12
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
Nil	

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management Systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic	3.1 3.1 3.1	§1 §2	3	0	0	NC - ZAF600565671 NC - ZAF600565672 NC - ZAF600565673
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid			0	0	0	
6 - Working hours are not excessive			0	0	0	
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar	10.B4.1	§3	1	0	0	NC - ZAF600565674
10C - Business ethics 4-pillar			0	0	0	

Local Law Issues

Issue	Description
§1	In accordance with the Sindh Factories Rules 2015 section 3, 30. (1) In every factory the following shall be securely fenced by the safeguards of substantial construction which shall be kept in position while the parts of machinery required to be fenced are in motion or in use, namely – (a) every moving part of a prime mover, and every fly wheel connected to a prime mover.
§2	In accordance with THE SINDH FACTORIES ACT, 2015. SINDH ACT NO. XIII OF 2016. Chapter-3 Health and Safety: Section 18, Dust and Fumes: (1) In every factory in which, by reason of the manufacturing process carried on, there is given off any dust or fume or other impurity of such a nature and to such an extent as is likely to be injurious or offensive to the workers employed therein, effective measures shall be taken to prevent its accumulation in any work-room and its inhalation by workers and if any exhaust appliance is necessary for this purpose, it shall be applied as near as possible to the point of origin of the dust, fume or other impurity, and such point shall be enclosed so far as possible.

S3	CATEGORY B: In accordance with the Environmental Protection act 1997 S.R.O. 528(1)/2001 Category "B" Industrial units: An industrial unit in category "B" shall submit Environmental Monitoring Reports on quarterly basis.
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Site Details

Site Details		
Company Name	IDEAL (PVT) LTD	
Site Name	IDEAL (PVT) LTD	
GPS location (if available)	GPS Address:	A-19, Block 7-8 K.C.H.S.U Ltd; Karachi
	Coordinates:	24.871068394601807, 67.08076520951732
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Karachi Chamber of Commerce Valid till 31 March 2025, NTN (0804020), Labor Certificate (No. 54/31, No expiry))	
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Cut to pack facility of leather jackets and pants.	
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Facility Ideal Pvt. Limited is situated at A-19, Block 7-8, K.C.H. S.U Ltd Karachi. Facility is ground plus six story building in a commercial marker. Ground floor has Office, reception and show room. First floor has pattern making and cutting, Second floor has accessory store, fusing, pattern office and lining cutting along with sample department. Third floor has Finishing, spray and packing. Fourth floor has stitching section. Fifth floor has Bag section which was closed due to no order in that section. Sixth floor has dinning area and rest area. Facility is cut to pack unit of leather jackets, pants and bags. There is no wet processing is carried out in this facility. Facility purchases the finished leather.	

Structure and number of buildings	Building Name:		1
	Floor	Description	Remark
	Ground	Office, reception and show room	Nil
	First	pattern making and cutting, second floor has accessory store, fusing, pattern office and lining cutting along with sample department.	Nil
	Second	has accessory store, fusing, pattern office and lining cutting along with sample department.	Nil
	Third	Finishing, spray and packing	Nil
	Fourth	Stitching section	Nil
	Fifth	Bag section	Nil
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No cracks were found in the building.		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has building stability form K From Engr. Badrus Saleem Baig PEC No 1008		
Site function	<input type="checkbox"/> Agent <input type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor		
Months of peak season	April to July		
Process overview	Facility is cut to pack unit leather jackets, pants and bags.		
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None		
Please give details:	There is no union in the facility.		
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No accommodation is provided.

Audit Parameters						
Time in and time out	Day 1		Day 2		Day 3	
	In	09:30	In	09:30	In	09:30
	Out	17:30	Out	17:30	Out	15:00
Audit type:	FULL_INITIAL					
Was the audit announced?	ANNOUNCED					
Was the Sedex SAQ available for review?	Yes					
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No					
Who signed and agreed CAPR	Muhammad Essa Ismail. / HR MANAGER					
Is further information available	No					

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	There is no union in the facility.		
<i>Reason for absence during the audit</i>	There is no union in the facility.		
<i>Reason for absence at the closing meeting</i>	There is no union in the facility.		

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*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers - male	173	0	0	0	0	0	0	173
Worker numbers - female	4	0	0	0	0	0	0	4
Total	177	0	0	0	0	0	0	177
Number of Workers interviewed - male	24	0	0	0	0	0	0	24
Number of Workers interviewed - female	2	0	0	0	0	0	0	2
Total - interviewed sample size	26	0	0	0	0	0	0	26

Nationalities Structure	
Nationality of Management	Pakistani
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Pakistani approx %: 100%
Was this list completed during peak season?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Worker remuneration	Workers on piece rate: 0%
	Paid hourly: 0%
	Salaried: 100%
Payment cycle	Paid daily: 0%
	Paid weekly: 0%
	Paid monthly: 100%
	Other: 0%
	Details for other: Only monthly payment.

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	4 groups of 5
Number of individual interviews:	Male: 4 Female: 2
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	No complain was noted from the workers.
What did the workers like the most about working at this site?	On time payment and good behavior of the management.
Any additional comment(s) regarding interviews:	Nil
Attitude of workers to hours worked:	Satisfied. Daily normal working time was 8 hours and overtime is voluntarily. Overtime hours are within legal limits of 2 hours a day and 12 hours a week.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

Cooperative attitude were observed during the interview process, Workers confirmed that no discrimination is practice in the company. Regular health and safety trainings are conducted to create awareness about the workers safety. Workers confirmed that no Child labour is employed. Workers received wages before 07th day of every month and were satisfied with the benefits provided by company. Workers confirmed that company pay salaries on time and no illegal deduction are made in the factory. Worker confirmed that attitude of management is very much positive and management take care of workers very much. Workers confirmed that they have participated in election process. Workers were aware about the safety procedures. They told that trainings are regularly imparted. Bonus was paid to them. No accidents in last 6 months. Over time is done occasionally. Maximum 2 hours in a day and 12 hour in a week. Double wages of overtime paid, if done. No illegal deductions were not made There is no disparity in providing training. Leave wages are paid along with bonus. Weekly off given after 6 working days.

Attitude of worker's committee/union reps:

They confirmed that they are free to conduct meeting with members and workers. They confirmed that no discrimination is practiced with them in facility. they were satisfied with the working environment. Regular meetings are held and the grievances are taken care of by the management.

Attitude of managers:

The facility management was very receptive and showed a positive attitude towards the audit. All documents were provided on timely manner. At the end of the audit, all the non-compliances were accepted by the facility. The management demonstrated a willingness to improve all issues found during the audit. Factory provided full access.

0A - Universal Rights covering UNGP
[Summary of Findings]

0A: Compliance Requirements

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:

Facility has human rights policy and training given to all employees on the need to protect human rights.
 Facility has designated person responsible for implementing standards concerning Human rights.
 Suggestion and complaint boxes are mounted at several locations within the facility for confidentially reporting and dealing with human rights impacts without fear of reprisals towards the reporter.

Evidence examined:

Human rights policy
 Employee training records
 Worker interviews

Any other comments:

Nil

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has written human right policy and procedure.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policies are included in workers manual.
Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has a designated person responsible for implementing standards concerning human rights.

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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has a transparent system in place for confidentially reporting and dealing with human rights.				
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Personal data confidentiality clause found written on workers employment contract.				
Measuring Workplace Impact					
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))	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Last year</td> <td style="text-align: right;">2.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">1.0%</td> </tr> </table>	Last year	2.0%	This year	1.0%
Last year	2.0%				
This year	1.0%				
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	1.0%				
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Last year</td> <td style="text-align: right;">3.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">4.0%</td> </tr> </table>	Last year	3.0%	This year	4.0%
Last year	3.0%				
This year	4.0%				
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month)	2.0%				
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: illness injury log sheet maintained.				
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Last year</td> <td style="text-align: right;">2.0%</td> </tr> <tr> <td>This year</td> <td style="text-align: right;">3.0%</td> </tr> </table>	Last year	2.0%	This year	3.0%
Last year	2.0%				
This year	3.0%				

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)	2.0%	
Lost day work cases per 100 workers((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	20.0%
	12 month	30.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

OB - Management Systems and code Implementation
[Summary of Findings]

OB: Compliance Requirements

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.3 Suppliers are expected to communicate this Code to all employees.
- 0.B.4 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.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:

Muhammad Essa (Manager HR & Admin) is responsible to implement ETI base codes also has a good knowledge about the local labour laws as well as the issues related to ILO convention is assisting the Company for implementing the ETI Base Codes and relevant local laws.
The company has copies of laws and regulations; books are maintained. The Facility seeks Regulatory updates relating to workers and workplace from labour department, updates relating to the Environmental regulation from Punjab EPA and Public Works Dept, Punjab.
ETI code of conduct is displayed at various locations in the factory.
ETI code of conduct has been communicated to its supplier and supply chains through courier.
Company also conducted Management review for 2024 to monitor the performance of company regarding social compliance and ETI.
Company also conducted internal audits for 2024 to improve the management system.

Evidence examined:

1. Social Compliance Manual ref # JBL / ETI / 2018.
2. Social Policy
3. Employees Handbook
4. Training records of ETI to workers.
5. Display of ETI code of conduct.
6. Orientation training records for April 2024.

Any other comments:

Nil

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

Yes No

Please give details:

Factory did not subjected to any fines/prosecutions during last 12 months according to management interviews and documents review.

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

Yes No

Please give details:

The facility has its own policies and procedures on forced labor, child labor, discrimination, harassment & abuse and the facility conducts training to the workers on legal requirements and ETI base code requirements.

<p>If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>On the day of assessment, no traces of forced labor, child labor, discrimination, harassment & abuse was observed. All interviewed employees reported that they are treated with dignity and respect.</p>
<p>Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Workers were provided training by Manager HR and HSE for social responsibilities, legal rights and national and international social compliance norms and ethic practices. Training record was available. Training schedule is established and implemented.</p>
<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Training Effectiveness was assessed by interviewing workers and was well understood by the workers</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p> <p>No such certification.</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Mr. Essa Ismail</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Mr. Essa Ismail</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>All workers information was provided in their personal files which remain confidential and only accessed by HR Manager.</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>HR department kept all personal data.</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Risk assessment was conducted by the teams from top to operational level.</p>
<p>Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Facility has its code for implementation for supplier.</p>
<p>Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>Facility owned this land.</p>

Land Rights	
Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility follows Factories act 2015
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility own this land.
Does the site have a written policy and procedures specific to land rights?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Facility own this land.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Facility own this land.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility own this land. This land is in a commercial area.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No illegal expansion.

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

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:

Factory has established, documented, maintained, and effectively communicated forced labor policy and procedure. As per policy, facility sternly discourages forced labor all company's policies and procedures are very much compatible to the consent and free movement of the employees. Workers are not required to lodge "deposit" any kind of their (educational certificate), identity papers or any other personal belongings with the employer and are free to leave the company after reasonable notice. No prison labor was found working during facility visit. Policy was communicated to the workers through notices, worker's handbook and orientation and in biannually awareness training sessions. Facility allows employees to move freely within their designated work areas during work hours, including access to drinking water and toilet facilities. Employees can leave the facility during extended meal periods or after work hours confirmed during 26 worker interviews. Facility has assigned qualified person with responsibility for communicating, training, deploying, and monitoring and ensuring the implementation of forced labor policy and procedure. Through workers interview it was confirmed that workers are free to leave factory at the end of their work shift, also workers can resign with one-month notice or salary in lieu. No sign of force labour was found in the factory during worker's interview, documents review, and facility visit. Factory has also communicated the policy to all its suppliers and contractor's records of acknowledgment reviewed during audit. Employment contract was found in accordance with local law and in native language which was found maintained at worker's personal files. No such long-term loan scheme is in practice which restricts employees from leaving the facility. Overtime working is on voluntary basis worker can deny overtime working without any repercussions. Facility is only retaining National identity cards and education certificate copies in employee's personal files no original documents are being retained as a condition of employment.

Evidence examined:

Personnel files
Resignation records
Factory rules
Employee handbook
Management and worker interview

Any other comments:

Nil

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)

Yes No

Please give details:

Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)

Yes No

Please give details:

<p>Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:</p>
<p>Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Both parties can terminate the employment on one month notice period that is legal.</p>
<p>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'?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: No such business.</p>
<p>Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Workers can leave the site at the end of working hours.</p>
<p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: Facility understands the risk of forced, trafficked, or bonded.</p>
<p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policy and procedures exist and communicated all concerned personnel.</p>

2 - Freedom of Association and Right to Collective Bargaining are Respected
[Summary of Findings]

2: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

Based on interview with the workers, management and document review, the employees could freely resign with proper notification in advance 30 days minimum.
The employees obtained their job by themselves by seeing advertisement or by recommendation from existing employee; they were not asking or forced to lodge deposits or their identity papers to the factory at time of employment.
No bonded or involuntary prison labor identified.
Workers were free to leave at the end of the of factory timing as per local law.

Evidence examined:

Social Compliance Manual.
Checked personnel files of the 26 employees and terms and conditions.
Attendance records for months of June 2023, January 2024 & July 2024.
Self-Declaration form in personnel file
Hiring Contracts.

Any other comments:

Nil

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Facility has workers. committee.
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box.
Is there evidence of free elections?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No union in the facility.
Name of union and union representative, if applicable:	None
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Facility has work council
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Workers are aware of their representative.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2024-02-24
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Last committee meeting was held in March 2024
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

3 - Working Conditions are Safe and Hygienic
[Summary of Findings]

3: Compliance Requirements

- 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:


It was verified during the audit that facility has the appropriate Health & Safety Management System, the company has established procedures for Health & Safety and provides safe working environment for all its workers and to eliminate all potential hazards that can cause work related accidents. The facility has systematized mechanism to detect potential risk and hazards associated with the job or present in the work environment which could cause harm/ injury to the workers. The facility provides necessary personal protective equipment for the worker safety. The facility has ensured to provide First Aid assistance to workers and arrange trainings on emergency first aids and fire fighting with intervals. All the workers have been trained on ETI Base Codes, which include requirement on Health and Safety. Training records have been verified for the same and trained by the local labor department through professional management for fire safety and first aid. Company has developed a safety committee to perform the function of fire safety and first aid. Announced and un announced mock drills are conducted and Photographs were taken during the training programs conducted at the company premises the same were also verified during the audit. In case of emergency and for evacuation during fire, a drill was also conducted in order that employees are made aware of actions during fire accidents, records for the same are maintained which has been verified during the audit. The observations made indicated that workers are aware of the actions to be taken during emergency situations. Fire drill is held bi annually in which every employee take part and the health & safety officer keeps proper record for this practice. Posters on safety and occupational health issues were also found displayed near the working areas to disseminate information on health and safety related issues. Medical certificates of workers were checked at random from all levels of workers in the company and were found to be in order. Hygiene Card of each employee was also found documented within their files. Clean drinking water has been made available at identified locations in the company and is easily accessible. It was also found that a water filtration system is installed on each cooler for cleaning and sterilization of water. A water testing report was also found, the test was carried out by the reputable laboratory the results was verified for total dissolved salts and microbial properties and it was found satisfactory. The area where drinking water is made available was found to be safe (hygienic and clean). Management Representative is responsible for communicating, deploying and monitoring Health & Safety policies and practices and ensures compliance to the legal requirements.



Evidence examined:

<p>Risk Assessment Fire Drill Record Fire safety arrangement certificate from Civil Defence Fire fighter training records Fire Extinguishers Inspection Electrical safety report Drinking Water Test Building stability form Building Approved Map Health and safety Committee meeting First aid training certificate Illuminating Exit Sign and Emergency Lights Inspection Illness and injury records maintained for July 2023</p>
<p>Any other comments:</p>
<p>Nil</p>


<p>Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Safety Policy, Emergency situation handling policy, Fire safety Plans and display of boards. Policies were communicated through training and posters in facility.</p>
<p>Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: company has established Social Compliance Management system manual</p>
<p>Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No additional floor.</p>
<p>Are visitors to the site informed on H&S and provided with personal protective equipment?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Visitors are provided with the safety gadgets.</p>
<p>Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: First aid box provided with trained first aiders.</p>
<p>Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: First aid box provided with 2 trained first aiders.</p>
<p>Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No transport is provided.</p>

<p>Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No accommodation is provided.</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Risk assessment is done.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Facility has environmental policy.</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Company following SEPA Rule 2012.</p>

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600565671	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	187 - Fire extinguishers not inspected / checked regularly / out of date	
Subcategory	Fire Safety - Fire Fighting Equipment	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600076299	
Root cause	<input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	
Explanation to the non compliance	Based on the facility tour it was noted that one extinguisher was found discharged on the the fourth and one on second floor.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	Facility should check the fire extinguisher on regular basis and charge all the discharged extinguishers.	
Additional comments	Facility has checked the fire extinguisher on regular basis and charge all the discharged extinguishers. inspection of the extinguishers has been started and records provided.	
		 Discharged fire extinguisher.jpeg

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600565672	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt / hand guards on other machines)	
Subcategory	Machinery	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600076299	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with the Sindh Factories Rules 2015 section 3, 30. (1) In every factory the following shall be securely fenced by the safeguards of substantial construction which shall be kept in position while the parts of machinery required to be fenced are in motion or in use, namely – (a) every moving part of a prime mover, and every fly wheel connected to a prime mover.	 No pulley cover.jpeg
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	 No cover on fan.jpeg
Explanation to the non compliance	Based on the facility tour it was noted that 5% of stitching machines and fans in spray departments was found without fencing.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	Facility should provide the protective covering to all the rotating object that can create a hazard to its worker.	

Additional comments	Facility has provided the protective covering to all the rotating object that can create a hazard to its worker. (Pully Cover, Needle Guard & Belt Cover) Facility has provided the pulley covers to all rotating devices. Pictorial evidence has been provided.	
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Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	CLOSED	
Reference	ZAF600565673	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	280 - Personal Protective Equipment (PPE) not adequately cleaned / maintained / stored	
Subcategory	Personal Protective Equipment/Clothing	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Resolved by audit	ZAA600076299	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	In accordance with THE SINDH FACTORIES ACT, 2015. SINDH ACT NO. XIII OF 2016. Chapter-3 Health and Safety: Section 18,Dust and Fumes: (1) In every factory in which, by reason of the manufacturing process carried on, there is given off any dust or fume or other impurity of such a nature and to such an extent as is likely to be injurious or offensive to the workers employed therein, effective measures shall be taken to prevent its accumulation in any work-room and its inhalation by workers and if any exhaust appliance is necessary for this purpose, it shall be applied as near as possible to the point of origin of the dust, fume or other impurity, and such point shall be enclosed so far as possible.	
ETI code	3.1 - A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.	<p style="text-align: center;"><u>In appropriate masks.jpeg</u></p>
Explanation to the non compliance	Based on the facility tour it was noted that inappropriate masks were provided in the spray section on third i.e only face masks instead of respirators.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

	90 days <input type="checkbox"/> 365 days	120 days <input type="checkbox"/> Other	180 days	
Actions	Facility should provide appropriate PPEs in spray section.			
Additional comments	Facility has provided appropriate PPEs in spray section. (Chemical Filter Mask) Facility has provided the respirator to the workers working in fumes environment.			

4 - Child Labour Shall Not Be Used
[Summary of Findings]

4: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

Factory has defined child labour policy and procedure.
 Factory has communicated the policy through notices and signs at main gate of the factory.
 No workers below 18 years are employed in the factory.
 As per hiring procedure prospective workers with authentic age verification documents will be considered.
 HR department ascertains workers age during appointment through documents and interview, workers age verification documents were kept in their personal files for verification.

Evidence examined:

Personnel files of all workers
 Latest list of employees
 Records of any health checks
 Age proof documents like CNIC, Birth certificates and educational certificates

Any other comments:

Nil

Legal age of employment:	14
Age of youngest worker found:	25
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No underage labor was observed.

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

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:

The lowest wage paid as per the legal minimum compensation, that the wages were equivalent to the legally prescribed minimum wages i.e. Rs.32,000/- per month. This was done through review of time records and wages record at account office. In addition, the company has calculated the basic need wage. The wage need calculation is revised with regular intervals to take the effects of inflation.

Records were checked on sample basis of male, female workers which also include production workers, packers, loader, supervisor, peon, security guards, quality checkers, and machine operators etc.

The records were verified and found satisfactory. Wages are always paid through cash / bank transfer.

Proof of wage disbursement is evidenced through the wage record and wage slips. The management retains a copy of wage sheet. The payroll slip includes details on employee name, wages paid and deduction details including signatures of employee and employer representative. During the interview, it was verified that all workers were aware of the wages they were entitled and also whether they were comfortable with the mode of payment. Awareness on the deduction on wages was also very good amongst the workers. Wage records were verified that the employer made no deductions from the wages.

Only deduction of 1% EOBI, tax, advances or provident fund is deducted.

Overtime was observed during the period and paid double the ordinary rate.

Company allows paid leaves for sickness, injury, and maternity, in addition company is also paying group insurance and disablement benefits.

Evidence examined:

1. Payrolls records & Time records (for 26 employees) for July 2024, January 2024 & August 2023.
2. Production records (from work floors to check for discrepancies)
3. Leave records
4. EOBI contributions for July 2024, January 2024 & August 2023.
5. SESSI contribution for July 2024, January 2024 & August 2023.
6. Final settlement records

Any other comments:

Nil

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: null Per Week: 48.0 Per Month: null	Actual Per Day: 8.0 Per Week: 48.0 Per Month: 208.0	NO

Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: null Per Week: 12.0 Per Month: null	Actual Per Day: 2.0 Per Week: 10.0 Per Month: 40.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 32000	Actual Per Day: 1230.75 Per Week: 7384.6 Per Month: 32000	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: 12 Per Month: null	Actual Per Day: 0 Per Week: 0 Per Month: 0	NO
Wages Analysis:			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
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)	26 employees were selected from July 2024 (Current month) 26 employees were selected from January 2024 (Lean Month) 26 employees were selected from August 2023 (Random month)		
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	Lowest wage is 32000 per month.		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 40.0% of workforce earning minimum wage 60.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: Facility pay 1 bonus each year to all the eligible employees. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	EOBI, SESSI Income tax.		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	EOBI & SESSI		
Please list all deductions that have not been made.	None		
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

<p>Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Facility works only in general shift from 9 a.m to 6 p.m.</p>
<p>Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details:</p>
<p>If yes, what was the calculation method used.</p>	<p><input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:</p>
<p>Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Periodic wage review is done by the local government.</p>
<p>Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Is there evidence that equal rates are being paid for equal work:</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: All employees are paid by their roll and expertise.</p>
<p>How are workers paid:</p>	<p><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other</p>

6 - Working Hours are not Excessive
[Summary of Findings]

6: Compliance Requirements

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:

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

Current Systems and Evidence Examined

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

Current Systems:

The factory provided the attendance records for workers for review during the audit and auditor selected for months of June 2024, January 2024, and July 2023. 26 samples (24 male & 2female).
The working hours in the factory were recorded through bar code scanning.
Workers worked 8 hours per day, 6 days per week as normal working hours, overtime was performed on urgent business need basis. During record review 8 hours overtime was performed in week and 30 hours per month .
The rest day is Sundays.
The Maximum working hour per week was 52 hours per week.
Overtime was paid double the ordinary rate.

Evidence examined:

Attendance Records
Overtime Records
Production Records
Personal Files
Site Tour

Any other comments:

nil

Working hours' analysis

Systems & Processes

What timekeeping systems are used?	Biometric system.
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
Standard/Contracted Hours worked	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Overtime Hours worked	
Actual overtime hours worked in sample (State per day/week/month)	Maximum 12.5 hours in the month of June 2024. Maximum 11.5 hours in the month of January 2024. Maximum 12.5 hours in the month of July 2023
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Per week working hour is maximum 54 week per was found.
Approximate percentage of total workers on highest overtime hours:	20.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Overtime is voluntary
Overtime premium	

Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: Overtime rate are double of the normal working wage as per law.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Overtime rate are double of the normal working wage as per law.
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.	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other
Please give details	Overtime rate are double of the normal working wage as per law.
If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)
Please give details	No working hours in a week exceed 60 hour.
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	No working hours in a week exceed 60 hour.
Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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:

Factory has defined non-discrimination policy and procedure and as per policy is not engage in or support discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, or political affiliation.

During audit, through workers interview and documents review, no sign of discrimination was observed in the factory.

During audit, it was confirmed that facility's environment is free from misbehavior activities, such as gesture, language and physical contact that is sexually coercive, threatening, abusive or exploitative. Non-discrimination policy is found posted on employee notification boards at production floors.

Factory has equal employment opportunity policy.

Facility has appointed a senior person for communicating, training, deploying and monitoring and ensuring the implementation of non-discrimination policy and procedure.

Workers are hired, compensated & promoted based on capability and merit without any distinction, different social and ethnic background workers were found working in the factory.

Evidence examined:

The hiring and termination procedure leave application records and employee handbook.

- Payrolls
- Attendance records
- Termination records
- Training records

Any other comments:

Nil

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 99.0%	Female: 1.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	1 women at supervisor level.	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	No discrimination was found.	
Professional Development		
What type of training and development are available for workers?	All workers are given Health and safety trainings	

Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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8 - Regular Employment Is Provided
[Summary of Findings]

8: Compliance Requirements

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:

During audit, it was noted that employment in the factory is based on recognized employment relationship established through national labor law & regulations.

No casual and seasonal were found hired in the factory during document review, facility visit and workers interview.

No labor contractor / agency is in use, all workers are facilities employed

Evidence examined:

Hiring policy & procedure
Worker interviews
Personal file review
Payroll & time records

Any other comments:

Nil

Responsible Recruitment

All Workers

Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?

- | | |
|--|---|
| <input checked="" type="checkbox"/> Terms & Conditions presented | <input checked="" type="checkbox"/> Understood by workers |
| <input checked="" type="checkbox"/> Same as actual conditions | |

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)

- Yes No

Migrant Workers

Type of work undertaken by migrant workers:	No migrant workers are hired.
Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No migrant worker.
Is there any observation on this finding?	No observation.
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	No agency is used for hiring.
Were agency workers' age / pay / hours included within the scope of this audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency is used for hiring.
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency is used for hiring.
Contractors (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.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No contractor is used.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No contractor is used.

8A - Sub-Contracting and Homeworking
[Summary of Findings]

8A: Compliance Requirements

8.A.1 There should be no sub-contracting unless previously agreed with the main client.

8.A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Current Systems and Evidence Examined

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

Current Systems:

Based on site tour and worker / management interviews, it was noted that facility purchases the leather from the third party subcontracts the dyeing process to Insaf Dying situated at Plot # 45 Mehran town Korangi. No other subcontract is of the production is done.

Evidence examined:

Site tour (Calculation on total production and estimated capacity)
Materials in/out records
Management interview
Worker interview

Any other comments:

Nil

Summary of sub-contracting – if applicable

Is there any sub-contracting at this site? Yes No

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

9 - No Harsh or Inhumane Treatment is Allowed
[Summary of Findings]

9: Compliance Requirements

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

As Per the documentation, the factory management had established a disciplinary procedure for workers' misbehavior which included oral warning, written warning and finally termination and the site, had developed a training program for all employees on the procedure. Worker interview confirmed that workers were aware of the disciplinary procedure.
As per management interview, document review and workers interview, there was a policy on Harsh Treatment which was communicated to all workers through awareness sessions and display at notice boards.
There is an internal process for grievance, workers can report any grievances (harassment, bullying, discrimination etc.) to joint worker council; any received complaint will be handled by management, without any reprisal for the worker in question

Evidence examined:

The relevant policy on prevention of harassment and abuse
Internal grievance procedure documentation.
Training records

Any other comments:

Nil

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 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Complaint and suggestion boxes are mounted at different locations for grievance reporting
If yes, are workers aware of these channels and have access? Please give details.	Purpose of complaint and suggestion boxes is known to all workers.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Complaint and suggestion boxes
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	Nil
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:</p>
<p>Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:</p>

10A - Entitlement to Work and Immigration
[Summary of Findings]

10A: Compliance Requirements

10.A.1 Only workers with a legal right to work shall be employed or used by the supplier.
10.A.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:

No migrant worker employed.

Evidence examined:

Policy and procedure for employment in the factory
List of workers
Facility visit observed workers working on the floor

Any other comments:

None

10B4 - Environment 4–Pillar
[Summary of Findings]

10B4: Compliance Requirements

- 10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
- 10.B4.2 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.
- 10.B4.3 Businesses shall be aware of their end client’s environmental standards/code requirements
- 10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
- 10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.
- 10.B4.6 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).
- 10.B4.7 Businesses shall make continuous improvements in their environmental performance.
- 10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation
- 10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site’s efforts to improve environmental performance.
- 10B4: Guidance for Observations
- 10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
- 10.B4.11 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 factory management maintain required certificates including the registration form of environmental impacts of the construction, Approval of environmental impact assessment document and the environmental protection check and water showed the pollutant discharging was compliant with environmental law.
Based on observation on site, wastes were classified and collect environmental protection.
Company has established Environmental policies and environmental management system. The facility has a proper practice to handle the waste of the facility. The overall cleaning condition of the facility is satisfactory. Company has established Environmental policies and environmental management system. The facility has a proper practice to handle the waste of the facility

Evidence examined:


1. Environmental policy.
2. Environmental NOC
3. Energy bills 2023-2024
4. Water bill 2021-2022
5. Waste Records.
6. Waste Outward Gate pass
7. Aspect impact Analysis Reports
8. Stack emission report
9. Waste water test report
10. All legally required environmental documents were provided for review.

Any other comments:

Nil

Environmental Analysis	
Is there a manager responsible for Environmental issues (Name and Position):	Muhammad Essa (HR & Admin Manager)
Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility is a cut to pack unit of the leather garments.
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No system certification is available.
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No wet processing in the facility therefore no such impact was observed.
Does the site have a Biodiversity policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No such system is available.
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has approval from the environmental agency for its operations.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: No chemicals are used.
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not Applicable.
Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has target to reduce the electricity consumption by using LED lights and renewable energy.

Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Waste of leather cut pieces are sold for smaller articles and are recycled.	
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility is using meters for energy usage and estimation for water use as no wet processing is facility.	
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has approval process for the vendors.	
Usage/discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	51655	25827
Renewable Energy Usage: Kw/hrs	0	0
Gas Energy Usage: Kw/hrs	69	33
Has site completed any carbon Footprint Analysis?	No	No
If Yes, please state result		
Water Sources	KWSB	KWSB
Water Volume Used	514964	257482
Water Discharged	Local drain	Local drain
Water Volume Discharged	514964	257482
Water Volume Recycled	0	0
Total waste produced	453 kg	225
Total hazardous waste produced	45 kg	0
Waste to recycling	0	0
Waste to landfill	0	0
Waste to other	0	0
Total Product Produced	5000	2700

Non-Compliance		Evidence
[Back to findings summary]		
Non-Compliance		
Status	OPEN	
Reference	ZAF600565674	
Clause	10B4 - Environment 4-Pillar	
Issue Title	643 - GHG (Green House Gas) emissions not monitored as per legal requirements	
Subcategory	Air emissions & GHG (Green House Gas)	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Root cause	<input type="checkbox"/> Training <input type="checkbox"/> System <input checked="" type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other	
Root cause - Other		
Local law issue	CATEGORY B: In accordance with the Environmental Protection act 1997 S.R.O. 528(1)/2001 Category "B" Industrial units: An industrial unit in category "B" shall submit Environmental Monitoring Reports on quarterly basis.	
ETI code	10.B4.1 - Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.	
Explanation to the non compliance	Based on the document review it was noted that facility is testing the emission of the generator on annual basis instead of quarterly basis as per law.	
Follow up method	<input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit	
Timescale	<input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other	
Actions	Facility should test the emission of the generator on quarterly basis.	
		 Testing report.jpeg

10C - Business Ethics – 4-Pillar Audit
[Summary of Findings]

10C: Compliance Requirements

- 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10.C.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.
- 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
- 10.C.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.
- 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
- 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
- 10.C.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
- 10.C.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.
- 10.C.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:

Factory management representative on behalf of facility received the Business Practices Policy from auditor. Bribery and anti-corruption procedure and policy are documented and implemented. Manager support services is responsible to implement the Business Practices Procedure. Trainings on ethical Business Practices are arranged. Relevant staff has been trained on what action to take in the event of an arising in their area, which include requirement on ethical business practices. Training records have been verified for the same.

Evidence examined:

Bribery and anti-corruption policy
Communication record of policy
Training records

Any other comments:

Nil

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

Please give details:

There is a written policy on the need to avoid bribes and fraudulent practices.

<p>Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Facility provide trainings on regular intervals.</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Policy is updated on regular basis as required.</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Site has a policy that requires business partners to complete their own business ethics training.</p>

Attachments



Work instructions.jpeg



Exit marking.jpeg



Suggestion box.jpeg



Smoke detectors.jpeg



Fire alarm point.jpeg



Finishing area.jpeg



Exit sign & light.jpeg



Hose reel.jpeg



Notice board.jpeg



Washrooms.jpeg



First aid box.jpeg



Fire alarm system.jpeg



Master plan.jpeg



Final insprction.jpeg



Cargo lift.jpeg



Office area.jpeg



Stitching area (3).jpeg



Testing report.jpeg



Snap button machine.jpeg



Emergency numbers.jpeg



Stitching area (2).jpeg



Packing area.jpeg



Inspection area.jpeg



Pressing area.jpeg



Stitching area.jpeg



Fusing area.jpeg



Assessory store.jpeg



Facility name.jpeg



Wax Area.jpeg



Law abstract.jpeg



Final inspection.jpeg



In appropriate masks.jpeg



Fusing area (2).jpeg



Emergency exit.jpeg



Cutting area.jpeg



Eating place.jpeg



Main gate.jpeg



PPEs in cutting.jpeg



Building view.jpeg



Facility building.jpeg



Drinking water.jpeg



Assembly area.jpeg



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[Click here for Supplier \(B\) members:](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d)

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