



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC421783584	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS422280223	
Business name (Company name):	MICRO KNIT APPARELS			
Site name:	MICRO KNIT APPARELS			
Site address:	INDUSTRIAL COMPLEX, PALLADAM ROAD, TIRUPUR TIRUPUR 641604 IN	Country:	IN	
Site contact and job title:	Mr. Chandra Kumar / Managing Partner			
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2023-01-07			

Audit Company Name:	
BUREAU VERITAS CPS - ASIA	

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:	Marutha Bharathi	APSCA Number:	21700800
Additional Auditors:			
Date of declaration:	2023-01-10		

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:	Mr. Chandra Kumar
Title:	Managing Partner
Date of declaration:	2023-01-10
Comments:	None

## 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	
<u><a href="#">0A - Universal rights covering UNGP</a></u>			0	0	0	
<u><a href="#">0B - Management systems and code implementation</a></u>			0	0	0	
<u><a href="#">1 - Freely chosen employment</a></u>			0	0	0	
<u><a href="#">2 - Freedom of association and right to collective bargaining are respected</a></u>			0	0	0	
<u><a href="#">3 - Working conditions are safe and hygienic</a></u>	3.2	§1	1	0	0	NC - ZAF600006366
<u><a href="#">4 - Child labour shall not be used</a></u>			0	0	0	
<u><a href="#">5 - Living wages are paid</a></u>	5.1	§2	1	0	0	NC - ZAF600006367
<u><a href="#">6 - Working hours are not excessive</a></u>			0	0	0	
<u><a href="#">7 - No discrimination is practiced</a></u>			0	0	0	
<u><a href="#">8 - Regular employment is provided</a></u>			0	0	0	
<u><a href="#">8A - Subcontracting and homeworking</a></u>			0	0	0	
<u><a href="#">9 - No harsh or inhumane treatment is allowed</a></u>			0	0	0	
<u><a href="#">10A - Entitlement to work and immigration</a></u>			0	0	0	
<u><a href="#">10B2 - Environment 2-pillar</a></u>	10.B2.1	§3	1	0	0	NC - ZAF600006368
<u><a href="#">10B4 - Environment 4-pillar</a></u>			0	0	0	
<u><a href="#">10C - Business ethics 4-pillar</a></u>			0	0	0	

## Local Law Issues

Issue	Description
§1	In accordance with Rule 63-B of Tamil Nadu Factories Rules, 1950 which states that persons who possess the certificate granted by the St. John's Ambulance Association shall be in-charge of first aid box .
§2	In accordance with Employee State Insurance Regulations Amendment Act July 01, 2017, Asadha 10,1939, an employer who is liable to pay contributions in respect of any employee shall pay those contributions within 15 days of the last day of the calendar month in which the contributions fall due.
§3	As per the recent press release from the ministry of environmental and forest dated 5 March,2016, Hosiery Garment manufacturer falls under white category .Hence their shall be no necessity of obtaining the consent to operate for white category of industries.an intimation to consent state pollution control board shall suffice.

## Site Details

Site Details					
Company Name	MICRO KNIT APPARELS				
Site Name	MICRO KNIT APPARELS				
GPS location (if available)	GPS Address:	Survey No:699/2, First Floor, R. Muthusamy Bros Industrial Complex, Palladam Road, Tirupur- 641604.			
	Coordinates:	11.081643 , 77.346275			
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Factory license# TPR 22713 Valid till 31st December 2023 capacity of 50 workers and 50 HP.				
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturing of Hosiery Garments				
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	The facility started operation on 1st October 2022 and from the same date it has been operating in the current location Total areas occupied by the factory 1589 sq mt and the covered area is 1188 Sq mt.				
Structure and number of buildings	Building Name:	Building 1			
	Floor	Description	Remark		
	First Floor	Fabric Storage, Cutting, Sewing, Checking, Ironing, Packing and Dispatch	Nil		
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No Cracks were observed				
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has obtained the stability certificate from the concerned authority dated 26.11.2022 which is valid till valid for 3 Years.				
Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor				
Months of peak season					
Process overview	Production process carried out at audited site were Fabric receipt, Cutting, Sewing, Ironing, Checking, Packing and dispatch.				

What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Other <input type="checkbox"/> Worker Committee <input type="checkbox"/> None
Please give details:	Health & Safety Committee, Internal Complaints committee and grievance committee.
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: NA

Audit Parameters				
Time in and time out	Day 1			
	In	10:00		
	Out	18:00		
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	Mr. Chandra Kumar / Managing Partner			
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>	No union exists in the factory.		
<i>Reason for absence during the audit</i>	No union exists in the factory.		
<i>Reason for absence at the closing meeting</i>	No union exists in the factory.		

## 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	23	0	0	0	0	0	0	23
Worker numbers – female	8	0	0	0	0	0	0	8
Total	31	0	0	0	0	0	0	31
Number of Workers interviewed – male	7	0	0	0	0	0	0	7
Number of Workers interviewed – female	3	0	0	0	0	0	0	3
Total – interviewed sample size	10	0	0	0	0	0	0	10

Nationalities Structure	
Nationality of Management	Indian
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: Indian approx %: 100%
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No Peak season.
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: NA

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:	1
Number of individual interviews:	Male: 3 Female: 3
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?	None
What did the workers like the most about working at this site?	Good Working Environment, Good Management and No pressure.
Any additional comment(s) regarding interviews:	Most workers enjoyed working at this factory, they felt they had sufficient work and had a good relationship with management in general.
Attitude of workers to hours worked:	Workers feel good.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

**Attitude of workers:**

A total of 10 workers were selected for interviews. These workers were selected from various workstations. All the interviews were conducted privately without management presence, in group and individual. Workers stated that they are aware of their working hours and overtime if asked to perform were purely on voluntary purpose. Further, it was noted if required workers will work overtime and will be paid 200 % as required by law. Workers are paid wages on a monthly basis by cash. Payment was disbursed on or before 07th of wage completion month. There were no reports regarding delays on payment of the workers' wages. Moreover, all the workers reported that they are covered under mandatory social benefits such as Employee Provident Fund and Employee state insurance from when applicable. This was further verified with the provided payment receipt.

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

There was no union at site. Facility has formed workers committee and grievance committee to resolve workers grievance. During interaction with workers representative, it was noted that there was no restriction from the management and they could do their works committee related works independently in required manner. There was no discrimination reported by the workers representatives. As per them, they were equally treated like other employees and no concern raised by them.

**Attitude of managers:**

The facility management showed a positive attitude to this audit during the whole process and was transparent . All documentation requested for review was provided timely. At the end of the audit, all the non-compliances were accepted by the facility. No negative information reported.

**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:**

- The facility 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.
- The facility has identified their stakeholders and salient issues.
- The facility has measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
- Mr. Chandra Kumar and Managing Partner is responsible for implementing standards concerning Human rights.
- The facility has an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
- The facility has a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

**Evidence examined:**

The facility human rights policy review, management interview, worker interview.

**Any other comments:**

None

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The facility has a policy on human rights which states commitment to respect human rights.
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:  Mr. Chandra Kumar and Managing Partner

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:  The facility does have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.
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:  Workers' data are handled confidentially by the facility.
<b>Measuring Workplace Impact</b>	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 0%  This year 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])	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)	Last year 0%  This year 19%
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))	19%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The Facility maintains accident register as per the local requirement. However, no major accidents happened so far.
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 0%  This year 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)	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 This year	0% 0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month 12 month	0% 0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month 12 month	0% 0%

### 0B - Management Systems and code Implementation [Summary of Findings]

**0B: 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:**

- Mr. V. Suresh Kumar- HR Executive is responsible to ensure compliance with these code requirements.
- Based from interaction with the factory management, it was understood that factory management has developed management system for implementing & maintaining social compliance code.
- Facility managers are well aware of the compliance requirements and have adequate knowledge on the legal requirements.
- Facility has obtained Factory License, stability certificate and Building layout plan.
- Employees were found aware about the Ethical Trade Initiative (ETI) base code requirements.
- Facility has communicated ETI base code requirement to their suppliers.
- Facility has display legal abstracts for employee's reference on the notice board.
- Facility has conducted risk assessment and internal audit to monitor effectiveness of social management system implemented at audited site.
- Facility has system in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
- Facility was found to have appropriate land rights.

**Evidence examined:**

1. Policy on forced labour, child labour, discrimination, Harassment, general human rights, freedom of association
2. Training records
3. Licenses – Factory license, Pollution consents, stability certificate, approved building plan.
4. Personal files
5. Committee records
6. Land documents
7. Construction permits

**Any other comments:**

None

#### Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No fines were imposed on the facility till date.
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has established the policies and procedure with respect to social compliance on forced labour, child labour, discrimination, harassment & abuse.

If Yes, is there evidence (an indication) of effective implementation? Please give details.	Facility has conducted internal audit to monitor implementation of social compliance policies and procedures to ensure effectiveness of implemented system.
Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  All the employees will undergo an induction training where the social compliance policies and procedures were explained.
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Based on interaction with the employees, it was noted that facility has a program to train relevant individuals regarding the standards for forced labour, child labour, discrimination, harassment & abuse and changes of any Laws or revisions to existing Laws & regulations. Provided training was found effective.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  Facility has no certification.
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Facility has HR department.
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The factory has appointed Mr. V. Suresh Kumar - HR Executive to take care HR activities.
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Facility have policy and procedure to ensure all worker's information is confidential.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Facility have effective procedure to ensure confidential information of the employees are kept confidential.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Facility has system to conduct risk assessment to evaluate the effectiveness of policy and procedures and update the same if required.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Factory has taken Corrective action for the identified risk. Further, implementation of corrective action against risk assessment is verified during internal audit.

Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Facility have policy/ethical code for their suppliers and the same was communicated to the suppliers.
<b>Land Rights</b>	
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:  Factory has taken this premises on rental basis and the factory has copy of legal registration documents for the same to show that legally they are registered and facility holds all the required documents for the same.
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:  Land registration are documented under the law governance and subjected to uphold.
Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Facility does have a written policy and procedures specific to land rights.
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Facility management has taken this premises on rental basis and a copy of registration certificate from concern government authority is obtained. The land is non-agricultural land. Further, the facility has approved building plans.
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:  The Facility demonstrates that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts through proper legal agreement.
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 appropriation of land for facility building or expansion of footprint.

**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:**

- The facility does not appearance of forced / bonded or prison labour at the audited place.
- Mr. V. Suresh Kumar- HR Executive is responsible to ensure that no forced, bonded, involuntary or prison labour is employed.
- 10 out 10 interviewed employees reported that they are not required to lodge any deposits, identity original papers with the facility before or after joining the services.
- Employees are free to leave at the end of their shift and there is no compulsion to work overtime.
- Document showed that employees have resigned with the legally required notice period without issue.

**Evidence examined:**

- 1.Facility Hiring policy
- 2.Payrolls records to check for any illegal deposits.
- 3.Resignation documents from past employees
- 4.Factory rules, Standing orders
- 5.Management and worker interview

**Any other comments:**

None

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Employees are free to leave their job by giving 30 day of notice period.
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: Not Applicable as no part of the business is UK based.

Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Employees are free to leave at the end of work day.
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: The facility ensures and does not use any sort of forced / trafficked or bonded labour in the facility. Therefore, no workers are affected.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility does not employ any forced / trafficked labour. Policies and procedures are implemented.

**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:**

- Mr. V. Suresh Kumar- HR Executive is responsible to ensure that there is no restrict on forming of Freedom of association and rights to collective bargaining in the facility.
- There is no trade union in the facility.
- The facility has formed works & grievance committee to resolve worker's grievance.
- Employees have the right to join any union or form trade unions of their own choosing and to bargain collectively.
- Facility has provided suggestion box for employee's grievances redressal. Further employees can also approach management with their grievance and adequate actions are taken.

**Evidence examined:**

Factory policy, interview with workers and management, grievances committee records.

**Any other comments:**

None

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 checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Health & Safety Committee, Internal Complaints committee and grievance 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 type="checkbox"/> Yes <input checked="" 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: Grievance committee, Health & safety committee, through which the communication of management and workers take place.	
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility allows the committee to conduct related business.	
Name of union and union representative, if applicable:	Not Applicable	

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?	Workers committee.
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 were aware of their representatives.
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2022-10-12
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.	It was noted during audit process that the workers' committee is effectively functioning at the facility. The last meeting of the committee held on 17/12/2022.
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:

##### 1. General Health and Safety management

- The facility has a system in place to ensure a safe and hygienic working environment
- Mr. V. Suresh Kumar- HR Executive is responsible for Health & Safety aspects for the site.
- Potable water was freely available in the facility and test certificates were up-to-date. Last test was conducted on 03.12.2022 through Excellence Laboratory.
- Sufficient number of toilets were available at all times to workers in all floors in hygienic condition,
- Ventilation, temperature and lighting were adequate in all section of the facility.
- Housekeeping was found acceptable throughout the facility.
- Facility has formed health and safety committee to resolve safety issues at site.

##### 2. Fire Safety

- There were at least 2 exits from each work area from the building.
- Facility has installed 8 fire Extinguishers, and 6 Smoke detectors at ground floor covering all section of the site.
- Facility has installed 8 Fire alarm call points
- 7 emergency lights were installed at ground floor of the site.
- Evacuation diagrams were posted in the facility.
- Fire drills was conducted once in two months. Last Fire drill was conducted on 27.12.2022 through Fire Fight.
- Facility has marked illuminated exit sign for employee's reference.
- Facility has obtained Fire-NOC from local authorized body on 07.12.2022 and it is valid for 1 Year.
- The exit route's width was found to sufficient in audited site, as per legal requirement.
- Fire safety training is provided to sufficient number of employees by competent person.
- Aisles route was found marked in all required areas.

##### 3. Machine & Electrical safety

- All machines and electrical equipment's were found maintained in good condition.
- Safety sign was posted near machines/equipment's for employee's reference.

##### 4. Medical services

- Facility has provided 2 first aid boxes at ground floor with required contents.

#### Evidence examined:

- Health and Safety Policy.
- Fire License of facility is obtained on 07.12.2022 and it is valid for 1 Year.
- Industrial accident records – Updated and no accident occurred in last 12 month.
- Drinking Water Test conducted on 03/12/2022 valid for 6 months
- Firefighting equipment inspection conducted on monthly basis.
- Fire training was provided to 14 employees 27/12/2022
- Interaction with Management and Interview with employees.

**Any other comments:**

None

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The facility has developed policy and procedures on health and safety and posted on the work floor for the workers reference.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Policies are communicated to the workers through displays and trainings.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  No structural additions without required permits observed.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The visitors to the site informed on H&S and provided with personal protective equipment, on the day of audit the auditor has worn appropriate personal protective equipment before entering to the production floors of the facility.
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))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  Not Applicable
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  Facility has not trained workers in First Aid.
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  No transport facility provided to workers.
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:  Not provided. Further, it is not required by law.
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  The facility has conducted risk assessment.

Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility does not use any banned chemicals.

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
Non-Compliance		
Reference	ZAF600006366	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	167 - No / inadequate training for first aiders	
Subcategory	Health & Safety Training	
New or carried over?	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Carried Over
Root cause	<input checked="" type="checkbox"/> Training	<input type="checkbox"/> System
	<input type="checkbox"/> Costs	<input type="checkbox"/> Lack of workers
	<input type="checkbox"/> Other	
Root cause - Other		
ETI code or local law issue	In accordance with Rule 63-B of Tamil Nadu Factories Rules, 1950 which states that persons who possess the certificate granted by the St. John's Ambulance Association shall be in-charge of first aid box .	
Explanation to the non compliance	It was noted during documents review that factory has not trained workers in first aid.	
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"/> 90 days	<input type="checkbox"/> 120 days
	<input type="checkbox"/> 365 days	<input type="checkbox"/> Other
Actions	It is recommended to factory to train workers in first aid.	

**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:**

- The facility has a policy on avoid child labour to work at audited site.
- Mr. V. Suresh Kumar – HR Executive is responsible to ensure that no child labour is employed at site.
- There is no appearance of child labour.
- 10 out 10 employee's identification proof is maintained in personal files.
- As per age proof record, youngest worker was 24 years completed.

**Evidence examined:**

- Policy and procedure on child labour & child labour remediation
- Personal data files (to check for proof of age document photocopies)

**Any other comments:**

None

Legal age of employment:	15
Age of youngest worker found:	24
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%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not Applicable

### 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:**

- Mr. V. Suresh Kumar – HR Executive is responsible to ensure that all employees paid legal wages with all legal benefits as per law.
- Based on 10 out 10 employees that all employees receiving the wage slips. No illegal deductions were made from the wages of the employees.
- There were no reports or indications of disciplinary deductions.
- The factory is paying wages for workers by cash on Monthly basis.
- There were no piece rated workers.
- As per wage record and worker interview the facility has paid Hosiery Industry legal minimum wages to all employees, as per legal requirement.
- Based of wage record review and workers interview that all employees are covered under social security benefit of employee state insurance.

**Evidence examined:**

- Leave record & Production record
- Wage records, Pay slip and Time records for selected samples for 03 months i.e. Oct 2022(Random month), November 2022(Random month) and December 2022(Recent month).
- Employee State Insurance and provide remittance challan for 12 months,
- Leave with wage records (Form No: 15).
- List of National and Festival Holidays.
- Interaction with management and Employees.

**Any other comments:**

None

#### 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: 8.0 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: 2.0 Per Week: 12.0 Per Month: null	Actual Per Day: 2.0 Per Week: 2.0 Per Month: 8.0	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: 246.16 Per Week: 1476.96 Per Month: 6400.16	Actual Per Day: 247.0 Per Week: 1482.0 Per Month: 6422.0	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: 123.08 Per Week: 738.48 Per Month: null	Actual Per Day: 123.5 Per Week: 123.5 Per Month: 494.0	NO
<b>Wages Analysis:</b>			
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)	10 samples in Oct 2022(Random month), November 2022(Random month) and December 2022(Recent month).		
Are there different legal minimum wage grades? If Yes, please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Employment in Hosiery wages: Cutter- INR 315.39; Tailor-INR 315.39; Ironer-INR 315.39; Packer-INR 315.39; Checker-INR 246.16		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.			
Please indicate the breakdown of workforce per earnings	0% of workforce earning under minimum wage 0% of workforce earning minimum wage 100% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found:Not Applicable 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:	1. Employee State Insurance @ 0.75% 2. Employees Provident fund @12%.		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	1. Employee State Insurance @ 0.75% 2. Employees Provident fund @12%.		
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		

Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: All the records reflect the time worked by the workers.
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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: The facility is located in state of Tamil Nadu where the applicable minimum wages will be revised once in a year.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: The facility is paying the wages as per the law without discrimination.
How are workers paid:	<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
Non-Compliance		
Reference	ZAF600006367	
Clause	5 - Living Wages are Paid	
Issue Title	426 - Regular practice of delayed payment of social insurance and other legally mandated contributions to relevant authorities	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Carried Over
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 or local law issue	In accordance with Employee State Insurance Regulations Amendment Act July 01, 2017, Asadha 10,1939, an employer who is liable to pay contributions in respect of any employee shall pay those contributions within 15 days of the last day of the calendar month in which the contributions fall due.	
Explanation to the non compliance	It was noted during review of records that, facility had delayed remittance of Employees' State Insurance to concerned authority in the months of October 2022 and November 2022. October 2022 – Delayed by 51 Days November 2022 – Delayed by 21 Days.	
Follow up method	<input type="checkbox"/> Follow up audit	<input checked="" type="checkbox"/> Desktop audit
Timescale	<input type="checkbox"/> Immediate	<input type="checkbox"/> 30 days
	<input type="checkbox"/> 90 days	<input type="checkbox"/> 120 days
	<input type="checkbox"/> 365 days	<input type="checkbox"/> Other
Actions	It is recommended to the facility to remit Employees' State Insurance to concerned authority on time as required by law.	

### 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:**

- Mr. V. Suresh Kumar – HR Executive is responsible to ensure they comply with working hours and overtime, as per law.
- The factory maintains Manual Time cards for monitoring IN /OUT Time of the all employees.
- According to time records and worker interview basic working hours were 8 hours per day and 48 hour per week
- Through employee's interview, overtime is voluntary.
- Facility works in single shift of 8 hours shift with two teak breaks of 15 minutes each and 1 lunch break of 60 minutes and timings are as follows: 8.30 AM To 5.30 PM; Tea timings 10.30 AM to 10.45 AM and 3.30 PM to 3.45 PM.

**Evidence examined:**

Factory tour, time and wage records, production records, management and worker interview.

**Any other comments:**

None

### Working hours' analysis

**Systems & Processes**

What timekeeping systems are used?	Manual time cards
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
<b>Standard/Contracted Hours worked</b>	
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
<b>Overtime Hours worked</b>	
Actual overtime hours worked in sample (State per day/week/month)	2 hours per day; 2 hours per week and 8 hours per month
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Not Applicable
Approximate percentage of total workers on highest overtime hours:	10%
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.
<b>Overtime premium</b>	
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: 200% of normal rate of wages.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 200% of normal rate of wages.
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 checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other
Please give details	NA

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 checked="" type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Site can demonstrate exceptional circumstances	<input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Other reasons (please specify)	<input type="checkbox"/> Safeguards are in place to protect worker's health and safety
Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other	NA		
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:**

- Mr. V.Suresh Kumar – HR Executive is responsible to check the discrimination issues in the facility.
- There are no apparent concerns with regard to discrimination in any form at the facility.
- No discrimination reported / observed in hiring, compensation, promotion and termination based on race, caste, national origin, religion, age, disability, gender, marital status and sexual orientation.
- All employees have fairly equal opportunity for training, Salary and overtime work in their respective departments.

**Evidence examined:**

Factory tour, personal file, Training records, Management and worker interview.

**Any other comments:**

None

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 100%      Female: 0%		
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	0		
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found		
Please give details	No discrimination in any form found at the facility.		
<b>Professional Development</b>			
What type of training and development are available for workers?	Skill based training and development is available for workers in-order to upgrade their skills.		
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		

### 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:**

- Employment relationship established through national law and practice.
- Employment contracts (appointment letters) were available and maintained for 10 of 10 selected employees. Terms and conditions of employment were clearly defined in appointment letter issued to the employees.
- Facility has policy and procedure on recruitment process
- Based on interaction with employees, no recruitment fee is required at any stage of the recruitment process.
- All original Identification card required for the purpose of verification at the time of employment and it is returned once verified.
- Photo identification card is issued to all employee.

**Evidence examined:**

Recruitment and termination policy, Employee personal files, Training records, Management and worker interview

**Any other comments:**

None

### 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?

- Terms & Conditions presented  
 Same as actual conditions

Understood by workers

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 employed. Hence not applicable.
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 workers employed. Hence not applicable.
Is there any observation on this finding?	No Migrant workers employed. Hence not applicable.
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
<b>Non-employee workers</b>	
<b>Recruitment Fees</b>	
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 workers used. Hence not applicable.
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" 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 workers used. Hence not applicable.
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 workers used. Hence not applicable.
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 contractors used. Hence not applicable.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: No contractors used. Hence not applicable.



### 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:**

1. At present, facility has used subcontractor to perform below process.

- Printing
- Embroidery

2. Facility does not use any home worker for any of the production process for product produced at site.

**Evidence examined:**

- Facility Policy.
- Inward/Outward records.
- Interaction with management

**Any other comments:**

None

#### Summary of sub-contracting – if applicable

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

#### Process subcontracted

Process Subcontracted	Printing
Name of factory	HAS Rotary Printing
Address	227, 5 B1, Poovarasan Thottam, Vanjipalayam Village, Iduvampalayam post, Tirupur – 641 687

#### Process subcontracted

Process Subcontracted	Embroidery
Name of factory	Vishnu Embro designs
Address	1, Athal Thottam Road, Bharathi Nagar, Veerapandi (PO), Tirupur - 641505

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

 Yes  No

Please give details:

Auditor made a simple calculation to identify the subcontractors by verifying the inward and outward material and production records. Further facility confirmed the subcontractors details.

If sub-contractors are used, is there evidence this has been agreed with the main client? (If yes, please provide details)

 Yes  No

Facility has informed to client about this outsourced work as required machineries to perform this activities not available with them.

Number of sub-contractors/agents used:

2

Is there a site policy on sub-contracting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Facility has a policy for subcontracting, as per policy facility will use approved subcontractors.
What checks are in place to ensure no child labour is being used and work is safe?	Facility representative periodically visit to their subcontract facilities and perform an audit to ensure no child labour was used.
<b>Summary of homeworking – if applicable</b>	
Is homeworking used at this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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:**

- Mr. V.Suresh Kumar HR Executive is responsible to ensure no harsh and inhumanity is practised in the facility.
- The facility has written policy and procedure which has displayed in the notice board.
- There is no evidence of ensure no harsh and inhumanity in the facility.
- The facility's disciplinary procedure is explained to all workers are aware of the disciplinary procedure.
- There is no evidence for physical abuse, verbal abuse, and sexual harassment.
- All employees are treated with respect and dignity.
- The facility has engaged the Non-Governmental Organisation in the internal compliant committee.

**Evidence examined:**

Factory tour, notice board, grievance mechanism, Employee files, Training records, Management interview.

**Any other comments:**

None

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: Facility has formed IC Committee and conducts meetings with NGO is an external member of this committee.
If yes, are workers aware of these channels and have access? Please give details.	Workers are aware of grievance handling mechanism, workers can express their issues through suggestion box and committees and further workers can approach the management directly for their issues.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion / Complaint box and direct communication during the committee meetings.
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	It is for the workers that the grievance mechanism in place.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
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)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

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

**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:**

It was observed on the day of audit that, the facility has employed only local employees fulfilling minimum legal working age. The appointment letter copy of the facility and necessary documents as per the legal requirement were available for review.

**Evidence examined:**

Personal data files, Management and worker interview

**Any other comments:**

None

**10B2 - Environment 2-Pillar  
[Summary of Findings]****10B2: Compliance Requirements**

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

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

- The factory has established an Environmental policy covering their environmental impact of their site and its process.
- The factory has declared that Mr. V. Suresh Kumar HR Executive is responsible and assigned for implementing the facility's environmental policy.
- Air quality level, noise level & illumination level are monitored regularly.
- The Facility has a Waste Disposal Policy and Procedure.
- The facility has maintained a clean work environment.
- Based on the management interaction, the facility had not subjected to any fines / prosecutions for non-compliance to environmental regulations recently

**Evidence examined:**

- Environmental policy
- Air quality, noise level, illumination level, ambient air quality monitoring reports dated 03/12/2022.
- Stack monitoring report dated 03/12/2022.

**Any other comments:**

None

Non-Compliance		Evidence
<a href="#">[Back to findings summary]</a>		
Non-Compliance		
Reference	ZAF600006368	
Clause	10B2 - Environment 2-Pillar	
Issue Title	608 - No public / external reporting on environmental performance and it is required by law	
Subcategory	General Environmental Permits, & Management systems	
New or carried over?	<input checked="" type="checkbox"/> New	<input type="checkbox"/> Carried Over
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 or local law issue	As per the recent press release from the ministry of environmental and forest dated 5 March,2016, Hosiery Garment manufacturer falls under white category .Hence their shall be no necessity of obtaining the consent to operate for white category of industries.an intimation to consent state pollution control board shall suffice.	
Explanation to the non compliance	It was noted during review of records that, the facility has not intimated the respective state pollution control board regarding the type of industry and respective colour category as per the hazard level.	
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"/> 90 days	<input type="checkbox"/> 120 days
	<input type="checkbox"/> 365 days	<input type="checkbox"/> Other
Actions	It is recommended to the facility to intimate concerned authority regarding the type of industry and respective colour category as per the hazard level.	

## Attachments

20.Marked Gents Toilet.jpg19.Suggestion Box.jpg17.Drinking Water Facility.jpg16.First Aid Box with Adequate Contents.jpg15.Emergency Evacuation Plan.jpg18.Emergency Exit with Functioning Emergency Light.jpg

14.Fire Alarm Call Point.jpg12.Marked Fire Extinguishers.jpg13.Fire Alarm Testing.jpg9.Checking Section.jpg10.Ironing Section.jpg11.Packing Section.jpg

8.Sewing Machine with Eye Guard.jpg7.Sewing Section.jpg6.Cutting Section.jpg4.Display of ETI Base Code.jpg5.Fabric Storage area.jpg4.1.Safety Posters.jpg



### 3. Display of Various Acts.jpg



1. Factory Name Board, Display of Working hours,  
Display of Emergency Contact numbers and No Child  
Labour Policy.jpg



## 2. Display of Various Policies.jpg



## 0.Factory Main Entrance.jpg



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