

Sedex Members Ethical Trade Audit Report

Version 7



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Audit content

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Minimum Requirements were applied and the SMETA Auditor Manual was followed. 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.

The audit scope includes an assessment of the Workplace Requirements and the Management Systems Assessment against the following Code Areas:

Included in a 2-Pillar audit:

1. Labour Standards Code Areas:
 - 0: Enabling accurate Assessment
 - 1: Employment is Freely Chosen
 - 1.A: Responsible Recruitment & Entitlement to Work
 - 2: Freedom of Association and Right to Collective Bargaining are Respected
 - 4: Child Labour Shall Not be Used
 - 5: Legal Wages are Paid
 - 5.A: Living Wages are Paid
 - 6: Working Hours are Not Excessive
 - 7: No Discrimination is Practiced
 - 8: Regular Employment is Provided
 - 8.A: Sub-contracting and Homeworkers are Used Responsibly
 - 9: No Harsh or Inhumane Treatment is Allowed
2. Health & Safety Code Area:
 - 3: Working Conditions are Safe and Hygienic
3. Environment Code Area:
 - 10.A: Environment 2-Pillar

Included in a 4-Pillar audit:

1. Labour Standards Code Areas
 - As 2-pillar
2. Health & Safety Code Area
 - As 2-pillar
3. Environment Code Area:
 - 10.A: Environment 2-Pillar
 - 10.B: Environment 4-Pillar
4. Business Ethics Code Area:
 - 10.C: Business Ethics

- (2) Where appropriate, non-compliances or non-conformances were raised where either local law or the Base Code were not met, and recorded as non-compliances on both the audit report, CAPR and on the Sedex Platform.
- (3) Any non-conformance against customer code shall not be uploaded to Sedex, but sent directly to the customer in question.

Audit and site details

Audit details

| | | | |
|-------------------------|---|----------------------|---------------------------|
| Sedex company reference | ZC1011498 | Auditor company name | BUREAU VERITAS CPS - ASIA |
| Date of audit | 2025-02-17 | Audit conducted by | Sedex member |
| Audit pillars | Labour Standards Health and safety Environment 4-Pillar Business ethics | | |

Site details

| | | | |
|----------------------|-------------------------|--------------|--|
| Sedex site reference | ZS1047497 | Site name | FAKIR KNITWEARS LTD |
| Business name | Fakir Knitwears Limited | Site address | 1400 Kayempur, Fatullah, Narayanganj-1400, Narayanganj, BD |
| Site phone | 88-02-7641379 | Site email | fkinfo@fakirgroup.com |

Audit parameters

| | | | | |
|--|---|-------|-------|-------|
| Time in and out | Day 1 | | Day 2 | |
| | In | 08:50 | In | 10:00 |
| | Out | 16:35 | Out | 17:00 |
| Audit type | Periodic | | | |
| Was the audit announced? | Semi announced | | | |
| Was the Sedex SAQ available for review? | Yes | | | |
| Who signed and agreed CAPR? | Mr. Sumon Kante Sinha / General Manager (HR & Compliance) | | | |
| Any conflicting information SAQ/Pre-Audit Info | No | | | |
| Is further information available? | No | | | |

Audit attendance

| | Senior management | Worker representative | Union representative |
|---|--|-----------------------|----------------------|
| 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 |
| Reason for absence at the opening meeting | There is a trade union in this facility though there is no obligation to form / join Trade Union and Freedom of Association and Collective Bargaining in Bangladesh. | | |
| Reason for absence during the audit | There is a trade union in this facility though there is no obligation to form / join Trade Union and Freedom of Association and Collective Bargaining in Bangladesh. | | |
| Reason for absence at the closing meeting | There is a trade union in this facility though there is no obligation to form / join Trade Union and Freedom of Association and Collective Bargaining in Bangladesh. | | |

SMETA declaration

Auditor team

SMETA declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Minimum Requirements and the SMETA Auditor Manual.

1. Where appropriate non-compliances/ non-conformances were raised against the Base Code and local law and recorded as non-compliances/ non-conformances on both the audit report, CAPR and on the Sedex Platform.
2. Any non-conformance against customer code alone shall not be uploaded to Sedex, and will be shared directly with the customer in question.

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

Any exceptions to the SMETA Methodology must be recorded here (e.g. different sample size)

The facility management was comfortable in English and requested to write the CAP in English.

| | | | |
|---------------------|-----------------------|--------------|----------|
| Lead auditor | Sanzida Sultana Rasna | APSCA Number | 21702985 |
| Additional auditor | Taufiq Azad | APSCA Number | 32200510 |
| | Sayed Siddiqui | APSCA Number | 32400219 |
| | Nazmul Haque | APSCA Number | 32200157 |
| Date of declaration | 2025-02-18 | | |

Site representation

| | |
|----------------------------|--|
| Declaration | I acknowledge that details from this report can change during the review process and that I will be given the opportunity to dispute the content once the review has been published. |
| Full name | Mr. Sumon Kante Sinha |
| Title | General Manager (HR & Compliance) |
| Date of declaration | 2025-02-18 |




































Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------------------------------|
| 3. Working conditions are safe and hygienic | 3.H Where identified as necessary to reduce r... | §1 | NC ZAF600817739 |
| | 3.M Ensure all machinery is installed, mainta... | §2 | NC ZAF600817740 |
| 5. Legal wages are paid | 5.E Ensure workers are remunerated for all ti... | §3 | NC ZAF600817741 |
| 5.A. Living wages are paid | 5.A.A Review workers' total pay including ben... | | NC ZAF600817742 |

Local law issues

| | |
|----|---|
| §1 | In accordance with The Bangladesh Labour Rules, 2015, Chapter 6, Section-67 (1), Safety measures and health safety must be arranged in accordance with the directions of this Rule or the regulations of the concerned govt. department for the workers who are employed in the procedures of manufacturing processes that have high risks of physical injury or loss. In accordance with The Bangladesh Labour Rules, 2015, Chapter-6, Section-67 (2), In addition to the arrangement of safety and health protection measures mentioned in Sub-section (1), the concerned manufacturing institute must provide necessary equipment's, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage. In accordance with The Labour Bangladesh Rules, 2015, Chapter 6, Section-67 (3), No worker can be employed in the relevant works without ensuring safety and health protection measures and the training related therewith. In addition, personal safety equipment must be reserved in accordance with Information Form-23. |
| §2 | In accordance with Bangladesh Labour law 2006, Section-63, In every establishment the following shall be securely fenced by the safeguards of substantial construction which shall be kept in a position while the part of machinery required to be fenced are in motion or in use, every dangerous part of any machinery. |
| §3 | In accordance with Bangladesh Labour Law 2006, Section-108. Extra-allowance for overtime : (1) Where a worker works in an establishment on any day or week for more than the hours fixed under this Act, he shall, in respect of overtime work, be entitled to allowance at the rate of twice his ordinary rate of basic wage and dearness allowance and ad-hoc or interim pay, if any. (2) Where any worker in an establishment are paid on a piece rate basis the employer, in consultation with the representatives of the workers, may, for the purposes of this section, fix time rates as nearly as possible equivalent to the average rates of earnings of those workers, and the rates so fixed shall be deemed to be the ordinary rates of wages of those workers. (3) The government may prescribe registers to be maintained in an establishment for the purpose of securing compliance with the provisions of this section. |

Management systems

| | Policies and procedures | Resources | Communication and training | Monitoring |
|--|---|---|---|---|
| 1. Employment is freely chosen |  |  |  |  |
| 1.A. Responsible recruitment and entitlement to work |  |  |  |  |
| 2. Freedom of association and right to collective bargaining are respected |  |  |  |  |
| 3. Working conditions are safe and hygienic |  |  |  |  |
| 4. Child labour shall not be used |  |  |  |  |
| 5. Legal wages are paid |  |  |  |  |
| 6. Working hours are not excessive |  |  |  |  |
| 7. No discrimination is practiced |  |  |  |  |
| 8. Regular employment is provided |  |  |  |  |



Not addressed



Fundamental improvements required







Some improvements recommended



Robust management systems

| | Policies and procedures | Resources | Communication and training | Monitoring |
|---|-------------------------|-----------|----------------------------|------------|
| 8.A. Sub-contracting and homeworkers are used responsibly | ✔ | ✔ | ✔ | ✔ |
| 9. No harsh or inhumane treatment is allowed | ✔ | ✔ | ✔ | ✔ |
| 10.A. Environment 2-Pillar | ✔ | ✔ | ✔ | ✔ |
| 10.C. Business ethics | ✔ | ✔ | ✔ | ✔ |

-  Not addressed
-  Fundamental improvements required
-  Some improvements recommended
-  Robust management systems

Site details

Company and site details

| | | |
|---|---|--|
| Sedex company reference | ZC1011498 | |
| Sedex site reference | ZS1047497 | |
| Company name | Fakir Knitwears Limited | |
| Business ownership type | GOODS | |
| Site name | FAKIR KNITWEARS LTD | |
| Site name in local language | | |
| GPS location | GPS address | Kayempur, Fatullah, Narayanganj |
| | Coordinates | Latitude: 23.639385464219465, Longitude: 90.50006726581803 |
| Is the worksite in a remote location, far from habitation? | No | |
| Site contact | Contact name | Mr. Mamunur Rahman Shohag |
| | Job title | Deputy Manager, Compliance |
| | Phone number | 88-02-7641379 |
| | Email | fkinfo@fakirgroup.com |
| Applicable business and other legally required business license numbers and documents | <p>Certificate of Incorporation: C-28421 (2267)/95, issued on May 18, 1995, by the Registrar of Joint Stock Companies & Firms, Bangladesh.</p> <p>Factory License: 67-58-1-001-00049, 'L' category, issued by the Chief Inspector General of Industries (Government of the People's Republic of Bangladesh), valid until May 3, 2025.</p> <p>Trade License: 108/2024-2025, issued by Fatullah Union Parishad, Narayanganj, valid until June 30, 2025.</p> <p>Fire License: DD/Dhaka, 32001/2021, DD/Dhaka/33366/2023, DD/Dhaka/8989/1997, DD/Dhaka/28053/2018, issued by the Bangladesh Fire Service & Civil Defense Authority, valid until June 30, 2025.</p> <p>Group Insurance : The group insurance certificate expired on December 31, 2024. The facility has applied for renewal to BKMEA on December 24, 2024, but has not received the renewed certificate yet. However, workers are enrolled in the biometric database for liability insurance coverage in 2025.</p> | |

Site activities

| | | |
|-----------------|---|---|
| Site function | Factory Processing/Manufacturer | |
| Site activities | Primary | Manufacture of wearing apparel (clothing), except fur apparel |
| | Secondary | |
| | Other | |
| Product type | The factory specializes in manufacturing all kinds of knitted items (tops and bottoms). The production process includes Knitting, Dyeing, Washing, Cutting, Printing, Embroidery, Sewing, Finishing, and Packing. | |

Site activities

Process overview

The factory specializes in manufacturing all kinds of knitted items (tops and bottoms). The production process includes Knitting, Dyeing, Washing, Cutting, Printing, Embroidery, Sewing, Finishing, and Packing. It operates with 99 sewing lines, supported by a variety of machines. Below is a detailed list of the machines used in the facility, based on the factory's machine inventory:

Knitting:

Machine Type: Single Jersey
 Jiunn Long (Open Width) – 12
 Masa (Open Width) – 6
 Masa (Tube) – 6
 Jiunn Long (Tube) – 6
 Santec (Tube) – 1

Machine Type: Rib & Interlock (Double Jersey)

Jiunn Long (Fixed Int. & Tube-Rib) – 12
 Masa (Tube-Rib) – 2
 King Knit (Tube-PSJ) – 1

Machine Type: 3th Fleece, Rib & PSJ

Jiunn Long (Ow-3th F) – 3
 Jiunn Long (OW-3th Fe.) – 2
 Jiunn Long (Tube) – 1

Dyeing:

SCLAVOS ATHENA2 – 5
 SCLAVOS ATHENA3 – 7
 SCLAVOS ATHENA3A – 9
 FONGS ECO-38 – 4
 CANLAR THS14030 – 1
 BENEKS ECO COMPACT – 1
 CANLAR KM-210 Series – 5
 Dyeing Sample Machines
 SCLAVOS ATHENA S – 2
 FONGS ALL FIT – 11
 PMM HT50 – 2
 CANLAR KM-210 Series – 3

Washing:

TA TING TW300 Washing Machine – 4
 TA TING TW50 Washing Machine – 1
 Bangladesh Washing Machine – 2
 Bangladesh Sand Washing Machine – 1

Dyeing Finishing:

Stenter – 6
 Open Width Compact – 7
 Tube Compact – 2
 Slitting – 5
 Calator – 3
 Singeing – 1
 Brushing – 1
 Shearing – 1
 Raising – 1
 Sueding – 1
 Raising (Brush) – 1
 Relaxation Machine – 1
 Dryer – 2
 Plaiter – 1

Sewing:

Plain Machine – 884
 Vertical / Side Cutter – 10

Site activities

Overlock - 4-Thread – 800
 Overlock - 4-Thread (Small Dia.) – 6
 Overlock - 4-Thread (Backless) – 2
 Overlock - 5-Thread (Gathering) – 10
 Overlock - 6-Thread – 6
 Flatlock - Cylinder Bed – 308
 Flatlock - C/B (RSC/Boxer) – 1
 Flatlock - Small C/B – 25
 Flatlock - Super Small C/B – 6
 Flatlock - Flatbed (Binding) – 204
 Flatlock - Flatbed (RSC/Boxer) – 3
 Flatlock - Flatbed (UT/D-type) – 8
 Body Hem Machine – 114
 Flat Seam Machine – 9
 Back Tab Machine – 20
 Zigzag Machine – 28
 Button Stitch Machine – 29
 Buttonhole Machine – 36
 Bar-tack Machine – 52
 PMD Machine – 21
 Picoting Machine – 10
 Smocking Machine – 5
 Scalloping Stitch Machine – 2
 Box Pleat Machine – 1
 Puthi Attached Machine – 1
 Stone Attached Machine – 1
 Blind Stitch Machine – 1
 Snap Button Machine – 46
 Button Pull Test Machine – 3
 Rib Cutter Machine – 33
 Thread Trimmer Machine – 140
 Thread Re-Cone Machine – 9
 Thread Sucker Machine – 26
 Movilon Tape Device – 22
 Fusing Machine – 2
 Spot Removing Machine – 15
 Metal Detector Machine – 11
 Hand Metal Detector – 10
 PP Belt Machine – 3
 Label Cutter Machine – 10
 Iron Table with Iron – 283
 Plastic Staple Machine – 2

Printing:
 Auto Machine (Screen Printing) – 3
 Oval / Digital Machine – 2
 Curing Machine (Dryer) – 5
 Manual Machine – 8
 Conveyor Dryer Machine – 2
 Heat Press Machine – 4
 Multi-Color Flock Machine – 1
 Squeegee Grinding Machine – 1
 Stretching Machine – 2
 Hand Flock Machine – 3
 Water Gun Machine – 1
 Exposure Machine – 1
 Flock Powder Cleaning (Suction) – 2
 CNC Machine – 1

What level of mechanization best describes the work at this site?

Fair mechanisation / manual Labour

Site scope

Is the audited site a physically continuous area? Yes

What is the area of audited site to its boundary? 139340m²

| | | |
|------------|--|---|
| Building 1 | Last construction works on site | 1992 |
| | If building is shared, provide details | N/A |
| | Number of floors | 7 |
| | Description of floor activities | Ground floor: Dyeing Office area, Batching, finished goods store 1st floor: Sewing section, finishing section, workers dining room, male prayer room, female prayer room, finishing accessories store (Empty carton, hanger), spot removing room 2nd floor: Sewing section, finishing section (Pressing section, poly section, folding section, quality section), metal free packing section, spot removing room and offices. 3rd floor: Sewing section, office area 4th floor: Finishing section (Pressing section, poly section, folding section, quality section), metal free packing section, offices, maintenance area, cutting section. 5th floor: Sewing section, fabrics input area, office area, quality section. 6th floor: 30% area Sewing section and rest of the 70% area open roof top. |
| Building 2 | Last construction works on site | 2004 |
| | If building is shared, provide details | N/A |
| | Number of floors | 7 |
| | Description of floor activities | Basement floor: Fire pump room Ground floor: Office, fire equipment store, WTP (Water Treatment Plant), dyeing batch section and sample dyeing area, generator. 1st floor: Embroidery section, flat knitting section, cutting section 2nd floor: Cutting section 3rd floor: Cutting section 4th floor: Proposed finishing section Rooftop: 100% Vacant |

Site scope

| | | |
|------------|--|--|
| Building 3 | Last construction works on site | 2010 |
| | If building is shared, provide details | N/A |
| | Number of floors | 15 |
| | Description of floor activities | <p>Ground floor: Grey fabric store, spare parts store, accessories store</p> <p>Mezzanine floor 1: CCTV monitoring room, fire monitoring room, accessories store, label cutting area</p> <p>Mezzanine floor 2: General store</p> <p>1st floor: Accessories store, sample section, finished goods store, inspection room</p> <p>2nd floor: Office</p> <p>3rd floor: Cutting section, maintenance room</p> <p>4th floor: Finishing section, pressing section, packing section, sewing section, sub store, spot removing room, maintenance area</p> <p>5th floor: Sewing section, finishing section, pressing section, packing section, sub store, spot removing room, maintenance area</p> <p>6th floor: Sewing section, finishing section, pressing section, packing section, sub store, spot removing room, maintenance area</p> <p>7th floor: Cutting section</p> <p>8th floor: Workers dining room, prayer room, medical room, training room</p> <p>9th floor: Sewing section, finishing section, pressing section, packing section, sub store, spot removing room, maintenance area</p> <p>10th floor: Sewing section, finishing section, pressing section, packing section, sub store, spot removing room, maintenance area</p> <p>11th floor: Sewing section, finishing section, pressing section, packing section, sub store, spot removing room, maintenance area</p> <p>12th floor: Sewing section, finishing section, pressing section, packing section, sub store, spot removing room, maintenance area</p> <p>13th floor: Recreation room for top management</p> <p>Roof top: 100% vacant</p> |

Site scope

| | | |
|------------|--|--|
| Building 4 | Last construction works on site | 2000 |
| | If building is shared, provide details | N/A |
| | Number of floors | 4 |
| | Description of floor activities | Ground floor: Generator room, electrical & maintenance office (Common) 1st floor: Compressor room, chiller room (Common) 2nd floor: Vacant (Common) Rooftop: Cooling tower and 50% area is vacant. (Common) |
| Building 5 | Last construction works on site | 2010 |
| | If building is shared, provide details | N/A |
| | Number of floors | 2 |
| | Description of floor activities | Ground floor: ETP control room, blower room 1st floor: Lab room |
| Building 6 | Last construction works on site | 2021 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Ground floor: Office, HVAC room (Common) |
| Building 7 | Last construction works on site | 2021 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Ground floor: STP control room, STP blower room (Common) |
| Building 8 | Last construction works on site | 2023 |
| | If building is shared, provide details | N/A |
| | Number of floors | 4 |
| | Description of floor activities | Ground floor: Stenter section, chemical store, office Mezzanine: Office, design room. 1st floor: Flatbed and rotary printing section. 2nd floor: Screen Storage Area. |

Site scope

| | | |
|-------------|--|---|
| Building 9 | Last construction works on site | 2023 |
| | If building is shared, provide details | N/A |
| | Number of floors | 6 |
| | Description of floor activities | Basement: Water pump Ground floor: Printing section, color store, mixing area, office 1st floor: Dining, canteen, printing section, office 2nd floor: Printing section, color mixing, office 3rd floor: Printing section, color mixing, office 4th floor: Design room, office. |
| Building 10 | Last construction works on site | 2020 |
| | If building is shared, provide details | N/A |
| | Number of floors | 7 |
| | Description of floor activities | Basement: Office, fire alarm control panel, water treatment plant, fire pump, and prayer room of Fakir Eco-Knitwears Ltd. (separate entity under same owner and management but different workforce). Ground floor: Cutting section, maintenance room, CAD room and office of Fakir Eco-Knitwears Ltd (separate entity under same owner and management but different workforce) and childcare room (Common) 1st floor: Dining area, medical room, temporary leftover fabric & accessories store of Fakir Eco-Knitwears Ltd. (separate entity under same owner and management but different workforce) 2nd floor: Temporary finished goods store and 50% vacant area of Fakir Eco-Knitwears Ltd. (separate entity under same owner and management but different workforce) 3rd floor: Sewing section, spot removing room, iron section, finishing section, packing section, and finished goods area of Fakir Eco-Knitwears Ltd. (separate entity under same owner and management but different workforce) 4th floor: Quilting section, down filling section, sewing section, iron section, finishing section, packing section, sample section and finished goods area of Fakir Eco-Knitwears Ltd. (separate entity under same owner and management but different workforce) Rooftop: 100% vacant. |

Site scope

| | | |
|-------------|--|---|
| Building 11 | Last construction works on site | 1992 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Ground floor: Security office-1 |
| Building 12 | Last construction works on site | 1992 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-01 Ground floor: Dyeing finishing section, delivery area. |
| Building 13 | Last construction works on site | 1992 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-02 Ground floor: Dyeing finishing section, WTP |
| Building 14 | Last construction works on site | 1992 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-03 Ground floor: Dyeing finishing section, dyeing laboratory room. |
| Building 15 | Last construction works on site | 1992 |
| | If building is shared, provide details | N/A |
| | Number of floors | 2 |
| | Description of floor activities | Shed-04 Ground floor: Dyeing finishing section, dyeing washing section, delivery area. 1st floor: Knitting section. |

Site scope

| | | |
|-------------|--|--|
| Building 16 | Last construction works on site | 1992 |
| | If building is shared, provide details | N/A |
| | Number of floors | 2 |
| | Description of floor activities | Shed-05 Ground floor: Greige fabrics store, 1st floor: Knitting section, fabric inspection area. |
| Building 17 | Last construction works on site | 1992 |
| | If building is shared, provide details | N/A |
| | Number of floors | 4 |
| | Description of floor activities | Shed-06 Ground floor: Yarn store. Mezzanine Floor: Office 1st floor: Finished goods store, excess material store, empty carton store. 2nd floor: Knitting section, fabric inspection room. |
| Building 18 | Last construction works on site | 2008 |
| | If building is shared, provide details | N/A |
| | Number of floors | 2 |
| | Description of floor activities | Shed-07 Ground floor: Dyeing section, Mezzanine floor: Dyeing color laboratory. |
| Building 19 | Last construction works on site | 2008 |
| | If building is shared, provide details | N/A |
| | Number of floors | 3 |
| | Description of floor activities | Shed-08 Ground floor: Dyeing section. 1st floor: Office area 2nd floor: Maintenance room. |

Site scope

| | | |
|-------------|--|--|
| Building 20 | Last construction works on site | 2008 |
| | If building is shared, provide details | N/A |
| | Number of floors | 2 |
| | Description of floor activities | Shed-09 Ground floor: Dyeing section Mezzanine floor: Dyeing physical laboratory. |
| Building 21 | Last construction works on site | 2008 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-10 Ground floor: Boiler room. (Common) |
| Building 22 | Last construction works on site | 2008 |
| | If building is shared, provide details | N/A |
| | Number of floors | 2 |
| | Description of floor activities | Shed-11 Ground floor: Chemical store, dyes chemical store 1st floor: Office, chemical store, dyes chemical store |
| Building 23 | Last construction works on site | 2019 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-12 Ground floor: Canteen. (Common) |
| Building 24 | Last construction works on site | 2018 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-13 Ground floor: Acid store |

Site scope

| | | |
|-------------|--|--|
| Building 25 | Last construction works on site | 2022 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-14 Ground floor: Dyeing finishing section (Singeing) , CNG |
| Building 26 | Last construction works on site | 2017 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-15 Ground floor: Sludge store |
| Building 27 | Last construction works on site | 2017 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-16 Ground floor: Security office-2. |
| Building 28 | Last construction works on site | 2018 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-17 Ground floor: Security office-3. |
| Building 29 | Last construction works on site | 2020 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-18 Ground floor: Cycle Shed |

Site scope

| | | |
|--|--|---------------------------------------|
| Building 30 | Last construction works on site | 2020 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-19 Ground floor: Car Parking |
| Building 31 | Last construction works on site | 2020 |
| | If building is shared, provide details | N/A |
| | Number of floors | 1 |
| | Description of floor activities | Shed-20 Ground floor: Tally Office |
| Is there any difference between the site scope of the audit and the Sedex site profile? | No | |
| Does the scope of the audit subdivide any building or is limited to particular processes, products or businesses within the physical site? | No | |
| Is any activity conducted onsite not included within the scope of the audit? | No | |

Worker accommodation and transport

| | | |
|---|--|--|
| Are there any site-provided worker accommodation buildings? | No | |
| Does the site organise worker transport to the worksite? | Not applicable | |
| | The site does not provide transport facility to the workers and it is not required by local law. | |

Work patterns

| | | | | |
|--|--|---------|----------|---------|
| Approximate workers on site per month (% of peak) | January | 95-100% | February | 95-100% |
| | March | 95-100% | April | 95-100% |
| | May | 95-100% | June | 95-100% |
| | July | 95-100% | August | 95-100% |
| | September | 95-100% | October | 95-100% |
| | November | 95-100% | December | 95-100% |
| | | | | |
| Is there any night or back shift work at the site? | <p>Yes</p> <p>The Knitting, printing, embroidery, dyeing, washing, and security sections operate during night shifts.</p> <ul style="list-style-type: none"> - Shift A runs from 8:00 am to 5:00 pm with a 1-hour break. - Shift B runs from 8:00 pm to 5:00 am with a 1-hour break. | | | |
| What percentage of the workforce, including temporary and agency workers, work during the night/ back shift? | 20% | | | |
| Was the audit conducted across all shift times, and did it include a representative sample of workers from each shift time in interviews and sampling? | <p>Yes</p> <p>Workers who work multiple shifts have their shifts change every week. As a result, workers from each shift time in interviews and sampling were covered. However, among the 102 samples, 82 workers were selected from day shift and 20 workers were selected from night shift.</p> | | | |

Site assessments

| | | | | |
|---|--|--|--|--|
| Does this site hold any certifications that address labour standards, human rights, corruption or environmental impact? | <p>ISO 45001 (OHS), ISO 14001 (Environmental management), Other certification, Other social audit</p> <p>The facility has certification programs such as ISO 9001:2015, as well as RCS, GRS, OCS, GOTS, and OEKO-TEX. It also has a social compliance program, including BSCI, WRAP.</p> | | | |
| Has the site assessed for negative impacts on the human rights, lands, resources, territories, livelihoods or food security of indigenous peoples or the local community? | <p>Yes</p> <p>Based on document review, it was observed that the site has evaluated for any negative effects on the human rights, lands, resources, territories, livelihoods, or food security of indigenous peoples or the local community.</p> | | | |
| Has there been a Human Rights Impact Assessment (HRIA) conducted within the last three years at this site? | <p>Yes</p> <p>The document review and interviews indicated that Human Rights Impact Assessment (HRIA) has been conducted at this site in the past three years.</p> | | | |

Worker analysis

Gender disaggregated data available

Men and women

Worker totals

| | Men | Women | Other | Total |
|-------------------|--------------|--------------|-------|-------------|
| Number of workers | 5661 (64.2%) | 3159 (35.8%) | - - | 8820 (100%) |

Workers by type

| | Men | Women | Other | Total |
|---|--------------|--------------|-------|-------------|
| Permanent workers (employees) | 5661 (64.2%) | 3159 (35.8%) | - - | 8820 (100%) |
| Temporary or fixed term employees | 0 - | 0 - | - - | 0 (0%) |
| Agency or subcontracted workers | 0 - | 0 - | - - | 0 (0%) |
| Seasonal workers | 0 - | 0 - | - - | 0 (0%) |
| Self-employed workers | 0 - | 0 - | - - | 0 (0%) |
| Informal workers including home workers | 0 - | 0 - | - - | 0 (0%) |
| Apprentices, trainees or interns | 0 - | 0 - | - - | 0 (0%) |

* % of total workforce

Migrant workers

| | Men | Women | Other | Total |
|-------------------------------|-----|-------|-------|--------|
| Domestic migrant workers | 0 - | 0 - | - - | 0 (0%) |
| International migrant workers | 0 - | 0 - | - - | 0 (0%) |
| Total migrant workers | 0 - | 0 - | - - | 0 (0%) |

* % of total workforce

Where workers have migrated internally, list the most common internal states workers have moved from

The facility did not have any migrant worker and all workers are local.

Workers by age

| | Men | Women | Other | Total |
|--------------------|--------------|-------------|-------|--------------|
| 18 - 24 years old | 1401 (66.4%) | 709 (33.6%) | - - | 2110 (23.9%) |
| 15 - 17 years old | 0 - | 0 - | - - | 0 (0%) |
| Under 15 years old | 0 - | 0 - | - - | 0 (0%) |

* % of total workforce

Is the worker analysis data relevant for peak season and current to the audit?

No

Describe how this may vary during peak periods

There was no production peak seasons over the last 12 months; production has remained consistent throughout the year.

Please list the nationalities of all workers, with the three most common nationalities listed first

Bangladeshi

Most common nationalities as approximate % of workforce

| | Men | Women | Other | Total |
|-------------|-----|-------|-------|-------|
| Bangladeshi | 70% | 30% | - | 100% |

Workers by remuneration type

| | Men | Women | Other | Total |
|---|--------------|--------------|-------|--------------|
| Workers paid per unit (piece rate) | 1197 (99.1%) | 11 (0.9%) | - - | 1208 (13.7%) |
| Workers paid based on a mix of 'piece work' and hourly rate | 0 - | 0 - | - - | 0 (0%) |
| Workers paid hourly / daily rate | 0 - | 0 - | - - | 0 (0%) |
| Salaried workers | 4464 (58.6%) | 3148 (41.4%) | - - | 7612 (86.3%) |

* % of total workforce

Workers by payment cycle

| | Men | Women | Other | Total |
|--------------|--------------|--------------|-------|--------------|
| Paid daily | 0 - | 0 - | - - | 0 (0%) |
| Paid weekly | 0 - | 0 - | - - | 0 (0%) |
| Paid monthly | 4464 (58.6%) | 3148 (41.4%) | - - | 7612 (86.3%) |
| Other | 1197 (99.1%) | 11 (0.9%) | - - | 1208 (13.7%) |

* % of total workforce

If other payment cycle entered, please provide details

The facility pays piece-rate workers every 10 days - Three payments per month.

People in managerial, supervisory and administrative roles

| | Men | Women | Other | Total |
|-----------------------------------|--------------|------------|-------|-------|
| Employees in management positions | 171 (98.3%) | 3 (1.7%) | - - | 174 |
| Supervisors or team leaders | 1196 (93.1%) | 88 (6.9%) | - - | 1284 |
| Administrative staff | 76 (78.4%) | 21 (21.6%) | - - | 97 |

Worker interview summary

| | |
|---|---|
| Gender disaggregated data available | Men and women |
| Which methods of worker engagement were used? | Individual interviews Group interviews |

Digital worker survey participants

| | Men | Women | Other | Total |
|-------------------|-----|-------|-------|-------|
| Number of workers | - | - | - | - |

| | |
|--|---------------------|
| Were any of the audit findings attributable to the survey? | |
| Was the interview sample representative of all types of nationality and employment types of workers? | Yes |
| Was the interview sample representative of the gender composition of the workforce? | Yes |
| Number and size of group interviews | 12 groups of 5 (60) |
| Did workers understand the purpose of the audit? | Yes |
| Were interviews conducted in circumstances to ensure privacy, with the confidentiality of the interview process communicated to the workers? | Yes |
| Was there any indication that workers had been 'coached' in how they should respond to questions? | No |
| What was the general attitude of the workers towards their workplace? | Favorable |

Attitude of workers

| | |
|---|---|
| In which areas did workers raise significant concerns or complaints? | <p>Other (provide details)</p> <p>There is no significant complaint from the worker side.</p> |
| What did the workers like the most about working at this site? | <p>Job security</p> <p>Equal opportunities</p> <p>Social benefits & insurance (e.g. ability to book annual leave, maternity leave, pensions etc.)</p> <p>Workplace benefits (e.g. child care provisions)</p> <p>Grievance mechanisms</p> <p>Overtime</p> <p>Freedom of movement</p> <p>Facilities (e.g. rest area, recreation, canteen)</p> <p>Hours worked, rest days or breaks</p> <p>Pay</p> <p>Work environment – comfort (e.g. temperature, noise or dust levels)</p> |
| Additional comments | <p>Most employees enjoy working at this facility; they feel happy that they have a good relationship with their management. The employees are generally positive about their workplace. The management team is positive and approachable. 102 workers are selected for interviews, including 55 male and 47 female employees. They are interviewed in 12 groups of 5 (60 workers: 42 males, 18 females) and the remaining 42 workers are interviewed individually (30 male, 12 female). Moreover, 04 additional individuals are chosen for interviews, specifically focusing on the Environment 4-Pillar and Business Ethics sections, comprising 01 manager and 01 worker for each of the Business Integrity and Environment sections. Employees are assured of confidentiality and speak freely about their views of the factory. However, all employees express satisfaction with their employment, stating that they receive wages as per their agreement and are free to leave with the required notice period. They feel respected by the facility management. Employees can lodge complaints directly with their compliance responsible person or line manager and feel comfortable expressing their general concerns to management representatives.</p> |
| Attitude of workers' committee/union representatives | <p>During the audit, a representative from the participation committee is present at both the opening and closing meetings. The participation committee representatives are very much aware of their roles and responsibilities and inform the auditors that they can discuss legal issues on behalf of the workers with management when required. The participation committee members are courteous and professional throughout the audit, mentioning that the factory's working conditions are favorable and that the management's attitude towards them is very positive. They express having a friendly connection with the management.</p> |
| Attitude of managers | <p>The facility management shows a positive attitude toward the entire audit process. Auditors are given unrestricted access to all necessary information, documents, worker interviews, and facility tours. Mr. Sumon Kante Sinha - General Manager (HR & Compliance), and his team actively participate throughout the audit and cooperate fully. They adhere to the ETI Base Code, allowing auditors to photograph production processes, best practices, and areas of non-compliance. Additionally, they provide photocopies of required documents and facilitate confidential interviews with employees. During the closing meeting, facility management acknowledges all findings and proposes corrective actions. They commit to maintaining a system that aligns current practices with relevant regulations and local laws, and they carefully consider internal audit findings. Furthermore, they have a health and safety committee in place to address any related concerns.</p> |

Workers interviewed by type

| | Total |
|-------------------------------------|-------|
| Permanent workers | 102 |
| Temporary or fixed-term employees | 0 |
| Agency or subcontracted workers | 0 |
| Seasonal workers | 0 |
| Other workers | 0 |
| Total number of workers interviewed | 102 |

Workers interviewed by group/individual

| | Men | Women | Other | Total |
|----------------------------------|-----|-------|-------|-------|
| Workers interviewed in groups | 42 | 18 | - | 60 |
| Workers interviewed individually | 30 | 12 | - | 42 |

Migrant workers interviewed

| | Men | Women | Other | Total |
|---|-----|-------|-------|-------|
| Domestic migrant workers interviewed | 0 | 0 | - | 0 |
| International migrant workers interviewed | 0 | 0 | - | 0 |
| Total migrant workers interviewed | 0 | 0 | - | 0 |

Measuring workplace impact

Gender disaggregated data available

Men and women

Annual worker turnover (%)*

| | Men | Women | Other | Total |
|------------------------------------|-------|-------|-------|-------|
| Last full quarter (90 days) | 1.46% | 0.31% | - | 1.77% |
| Last full calendar year (2024) | 1.3% | 0.34% | - | 1.64% |
| Previous full calendar year (2023) | 1.96% | 1.33% | - | 3.29% |

* Number of workers leaving in last 12 months as a % of average total number of workers on site over the year.

Rate of absenteeism (%)*

| | Men | Women | Other | Total |
|------------------------------------|-------|-------|-------|-------|
| Last full quarter (90 days) | 4.99% | 2.52% | - | 7.51% |
| Last full calendar year (2024) | 3.47% | 2.44% | - | 5.91% |
| Previous full calendar year (2023) | 4.46% | 2.63% | - | 7.09% |

* Number of days lost through job absence in the year, calculated as (the 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*100

Are accidents recorded?

Yes

The factory maintains an accident/injury register in the prescribed format, with the nurse responsible for recording all incidents. A summary of these incidents is submitted to the Department of Inspection for Factories and Establishments (DIFE) every six months, with the most recent submission on Feb 16, 2025.

Upon reviewing the register, there were 144 recorded cases. The most recent incident, on February 11, 2025, involved a finger cut injury to a overlock machine operator in the sewing section. The injured worker was absent for five days before resuming work.

Annual number of work related accidents and injuries (per 100 workers)*

| | Men | Women | Other | Total |
|------------------------------------|-------|-------|-------|-------|
| Last full quarter (90 days) | 4.99% | 2.52% | - | 7.51% |
| Last full calendar year (2024) | 3.47% | 2.44% | - | 5.91% |
| Previous full calendar year (2023) | 4.46% | 2.63% | - | 7.09% |

* Calculated as (number of work related accidents and injuries * 100) / number of total workers.

Lost day work cases (per 100 workers)*

| | Men | Women | Other | Total |
|------------------------------------|-------|-------|-------|-------|
| Last full quarter (90 days) | 0.41% | 0.09% | - | 0.5% |
| Last full calendar year (2024) | 0.31% | 0.03% | - | 0.35% |
| Previous full calendar year (2023) | 0.06% | 0.12% | - | 0.18% |

* Calculated as (number of lost days due to work accidents and work related injuries * 100) / number of total workers.

Percentage of workers that work on average more than 48 standard hours in a given week

| | Men | Women | Other | Total |
|------------------------------------|------|-------|-------|-------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |
| Last full calendar year (2024) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |

Percentage of workers that work on average more than 60 standard hours in a given week

| | Men | Women | Other | Total |
|--|-----|-------|-------|-------|
|--|-----|-------|-------|-------|

Percentage of workers that work on average more than 60 standard hours in a given week

| | | | | |
|------------------------------------|------|------|---|------|
| Last full quarter (90 days) | 0.0% | 0.0% | - | 0.0% |
| Last full calendar year (2024) | 0.0% | 0.0% | - | 0.0% |
| Previous full calendar year (2023) | 0.0% | 0.0% | - | 0.0% |

0. Enabling accurate assessment

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------|
| | No findings | | |
| Systems and evidence examined to validate this code section | <p>Current Systems:</p> <ul style="list-style-type: none"> - The facility allows auditors to conduct and complete audits without obstruction providing access to all requested documents, interviewees, and facility areas, including outbuildings and accommodations. Genuine and authentic records are supplied to enable an accurate assessment. - The facility does not offer bribes, make threats or attempt to influence the auditor to act dishonestly in any way. - The facility provides an accurate site description and a SEDEX site profile, which are declared prior to or during the audit. - The facility maintains a written human rights policy statement, approved by senior management, communicated to all employees and incorporated into training for relevant personnel. <p>Evidence Examined:</p> <ol style="list-style-type: none"> 1. Policy review. 2. Document review (Human rights policy, employee handbook, SEDEX Site Profile, some anonymous). 3. Management interview. 4. Worker interview, etc. | | |

0. Enabling accurate assessment

Data points

| | |
|---|----|
| Has the site received an official notice, fine, prosecution, or withhold release order (WRO) for non-compliance with legislation, regulation, consent, or permits within the last three years, relating to Health and Safety, labour rights or the environment? | No |
| Did any workers selected by the auditor decline to be interviewed? | No |
| Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review? | No |

1. Employment is freely chosen

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The factory develops and maintains relevant policies and procedures on forced labor to ensure that employment is freely chosen and freedom of movement is respected, in compliance with local law and Workplace Requirements (WRs). These policies and procedures are regularly updated.</p> <p>2. Mr. Sumon Kante Sinha-General Manager (HR & Compliance) holds overall responsibility for implementing procedures to ensure that employment is freely chosen, in compliance with Workplace Requirements (WRs).</p> <p>3. The factory communicates relevant policies and procedures and trains employees, including managers and supervisors, through notice boards and regular training sessions or meetings. This ensures that employment is freely chosen and aligns with Workplace Requirements (WRs). The most recent training, which covered freely chosen employment and freedom of movement, was conducted on February 4, 2025.</p> <p>4. The factory monitors the effectiveness of its procedures to ensure they meet policy and Workplace Requirements (WRs) regarding freely chosen employment. However, the audit found no forced labor, including issues related to freedom of movement, debt, coercion, document retention, or deposits. This applies to directly hired workers throughout the recruitment and supply chain.</p> <p>In conclusion, the site complies with both the ETI Base Code and legal requirements as observed during the audit.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
| | No findings | | |

Systems and evidence examined to validate this code section

Current Systems:

- The facility does not profit from or engage in forced labor, human trafficking, debt bondage, or other forms of modern slavery.
- Workers are not controlled through threats, penalties, coercion, physical force, violence, or harsh or inhumane treatment.
- Workers can freely leave the workplace, and security guards or other authorities do not unreasonably restrict their freedom of movement.
- Surveillance is not excessive or used to control or intimidate workers.
- Workers are not unreasonably prevented from communicating with others or subjected to intentional isolation.
- The facility does not retain workers' personal documents or valuable items, and provides a safe, voluntary storage option if workers fear theft or loss.
- Workers can resign at the end of their contract or at any time without paying a fee, provided they give the required notice.
- The facility does not engage in practices that intentionally place workers in debt, such as undervaluing work, inflating interest rates, or charging above-market rates.
- The facility does not charge or withhold part of workers' salaries as per local law to pay government levies.
- The facility does not withhold payments or implement financial schemes that prevent workers from leaving their employment.
- Workers can achieve the legal minimum wage without breaching applicable laws or collective bargaining agreements.
- The facility has conducted appropriate due diligence to minimize the risk of workers being placed in forced labor situations by third-party recruiters.
- The facility does not use prison labor and has undertaken appropriate due diligence to ensure workers meet the requirements of the workplace and local law.
- The facility complies with all other applicable laws related to employment being freely chosen.

However, the facility appears to have implemented a comprehensive set of measures to ensure that workers are not subjected to any form of forced labor or modern slavery.

Evidence Examined:

- Facility policy rules and regulations.
- Sampled employee personal files.
- Service book
- Employee handbook
- Time record
- Training Record, etc.

1. Employment is freely chosen

Data points

| | |
|--|----------------|
| If required under local law, is there a published 'modern slavery' or similar statement? | Not Applicable |
| Does the site utilise any workers who are prisoners? | No |
| Does the site use the labour of persons required to work under any government scheme? | No |

1.A. Responsible recruitment and entitlement to work

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The factory develops and maintains relevant policies and procedures to ensure responsible recruitment practices and compliance with work entitlement requirements, in accordance with local law and Workplace Requirements (WRs). These policies and procedures are periodically updated.</p> <p>2. The factory has appointed Mr. Sumon Kante Sinha-General Manager (HR & Compliance), who is responsible for implementing procedures to ensure responsible recruitment practices and compliance with legal and entitlement-to-work requirements. For instance, the most recent mid-level management training took place on January 9, 2025.</p> <p>3. The factory communicates relevant policies and procedures to employees, including managers and supervisors, through policy or notice boards, training sessions, or meetings using appropriate means of communication to ensure responsible recruitment practices and compliance with legal and entitlement-to-work requirements.</p> <p>4. The factory monitors the effectiveness of its procedures to ensure they meet policy and Workplace Requirements (WRs) regarding responsible recruitment and entitlement to work.</p> <p>In conclusion, the site complies with both the ETI Base Code and legal requirements as observed during the audit.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
| | No findings | | |

Systems and evidence examined to validate this code section

Current Systems:

- The factory has implemented a comprehensive set of practices to ensure fair and transparent employment procedures.
- All employees are hired directly by the factory. The facility carefully reviews original photographic identification to verify that all workers have the legal right to work.
- Individual personnel files are maintained for each employee, containing comprehensive details such as appointment letters and signed labor contracts. The facility also keeps service books as part of its record-keeping practices, ensuring the details communicated during recruitment accurately reflect the actual nature of work, working conditions, employment terms, wages, and benefits.
- Upon recruitment, each employee is issued an identity card as official proof of employment with the factory. The factory has a structured policy for compensation, paying monthly wages and overtime allowances by the 7th day of the following pay period. Employees wishing to resign are required to give a 60-day notice.
- Employees receive a signed labor contract outlining role-specific details and terms of employment, ensuring full transparency. Auditors have reported no findings of temporary workers, apprenticeship programs, or home-based labor within the facility, and there are no instances of wage withholding. The implementation of this code is managed by Mr. Sumon Kante Sinha-General Manager (HR & Compliance), who oversees adherence to these employment standards.
- These measures reflect the factory's strong commitment to fair labor practices and robust employee record-keeping, going above and beyond to comply with all relevant laws and regulations related to employment being freely chosen.

Evidence Examined:

- Hiring policy & procedure
- Facility rules and regulations
- Employee's handbook
- Labor contract
- Orientation training record
- Sampled employee personal files, etc.

1.A. Responsible recruitment and entitlement to work

Data points

Labour hire

| | |
|---|--|
| Does the site use labour providers and/or formal, temporary, seasonal or guest worker programmes? | Workers are recruited, selected, and hired directly by our company |
| How do the labour providers recruit and hire workers? | Directly |
| Where labour providers were used to recruit, what was the highest number of tiers identified in a workers recruitment journey? | 0 |
| Are there any subcontracted workers (including dispatched labour) on site? | No |
| Were all non-employee (e.g. agency or subcontracted) workers included within the scope of this audit for the purpose of document review and (if onsite on date of audit) interview? | Not Applicable |
| Were sufficient documents for non-employee (e.g. agency or other subcontracted) workers available for review? | Not Applicable |

Migrant workers

| | |
|---|----|
| Do any workers migrate across international borders to work at this site? | No |
| Percentage of workers that are migrant | 0% |
| Do any workers migrate from other states, provinces or regions within the country to work at this site? | No |

Recruitment fees

Were you able to detect recruitment fees and costs paid by workers during the recruitment and employment process?

No

There was no recruitment fees and costs paid by workers during the recruitment and employment process.

Were recruitment fees or costs identified during worker interviews?

No

According to the interview and document review, the worker did not pay any recruitment fees; all fees were covered by the factory.

2. Freedom of association and right to collective bargaining are respected

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The factory develops and maintains policies and procedures to ensure the freedom of association and the right to collective bargaining, in compliance with local laws and Workplace Requirements (WRs). These are regularly updated.</p> <p>2. The factory has appointed Mr. Sumon Kante Sinha-General Manager (HR & Compliance), to implement procedures ensuring the respect for freedom of association and collective bargaining.</p> <p>3. The facility communicates these policies and procedures and trains employees, including managers and supervisors, through notice boards and regular training sessions to ensure compliance. The most recent Participation Committee (PC) meeting was held on January 27, 2025.</p> <p>4. The facility monitors the effectiveness of these procedures to ensure compliance with policies and Workplace Requirements (WRs). A Participation Committee (PC), formed through a democratic election on October 8, 2024, allows workers to join freely, in line with local laws. The committee consists of 30 members (6 from management and 24 from workers) and meets at least once every two months, or more frequently if needed. Meeting minutes are recorded, preserved, and shared with the workforce via the PA system and notice boards.</p> <p>In conclusion, the site complies with both the ETI Base Code and legal requirements, as observed during the audit.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-------------|-----------------------|-----------|---------|
| No findings | | | |

Systems and evidence examined to validate this code section

Current Systems:

- The facility ensures workers understand their legal rights regarding trade unions, collective bargaining, and worker participation committees.
- Employees have the right to freely join or establish a trade union or the Participation Committee (PC) of their choice. The facility does not prohibit, discourage, or interfere with workers' rights to representation, fair elections, or collective bargaining.
- While no trade union currently exists, a Participation Committee (PC) was democratically elected from October 8, 2024. Workers had full freedom to join without interference, in compliance with local law. The committee consists of 30 members—6 from management and 24 from the workforce.
- Committee members can perform their duties during working hours without any impact on their compensation. The facility has a structured system for regular meetings and training to facilitate communication with the PC.
- The most recent meeting was held on January 27, 2025. Worker representatives are given time and space to fulfill their roles, and all employees are informed of their representatives through training and meetings. Meeting minutes are recorded, stored, and shared via the PA system and notice boards for transparency.
- The facility complies with all applicable laws governing freedom of association and collective bargaining.

Evidence Examined:

- Freedom of association policy review.
- Participation Committee formation records
- Participation Committee member list
- Participation Committee meeting register
- Participation Committee meeting minutes
- Participation Committee meeting attendance register, etc.

2. Freedom of association and right to collective bargaining are respected

Data points

| | |
|---|----------------|
| Are trade unions allowed by law in the national context? | Yes |
| Are there any registered trade unions in the workplace? | No |
| Are they active? | |
| Does the employer recognise the trade union? | Not Applicable |
| Are the worker representative bodies, trade union or otherwise, accessible to all workers, including more vulnerable workers (such as female, migrant, agency, and seasonal workers)? | Yes |
| Are the worker representatives freely elected by the workforce as a whole? | Yes |
| Does union/worker committee membership reflect the gender composition of the workforce? | Yes |
| Does the membership reflect the nationality composition of the workforce? | Yes |
| Has there been any industrial action (e.g. strikes, unrest, or cases raised to formal tribunals or labour courts) in the past two years? | No |

3. Working conditions are safe and hygienic

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1. The facility has established Health & Safety (H&S) policies and procedures to meet Workplace Requirements (WRs), covering safety, health, environmental standards, and employee well-being in line with regulations and industry standards. These policies are regularly updated.</p> <p>2. Mr. Sumon Kante Sinha-General Manager (HR & Compliance), is responsible for implementing and overseeing these procedures to ensure effective compliance.</p> <p>3. The facility trains all employees, including managers and supervisors, on relevant policies and procedures in an understandable language through notice boards, training sessions, and meetings to ensure safe and hygienic working conditions. Recent training sessions included, but were not limited to, the following:</p> <ul style="list-style-type: none"> - Mid-level management (January 9, 2025) - Health and safety (February 4, 2025) - Personal protective equipment (February 1, 2025) - Machine safety (February 11, 2025) - Chemical handling (February 9, 2025) - ETI Base Code (January 22, 2025) - Waste handling and management (February 2, 2025) <p>However, the facility lacks effective monitoring systems to ensure compliance with policies, work regulations, and legal regulations. The following non-compliances (NCs) require immediate attention:</p> <ul style="list-style-type: none"> - Displaced needle guards on plain sewing machines and eye guards on overlock sewing machines. - Failure to wear required personal protective equipment (PPE): face masks for overlock operators, ear plugs for knitting operators, and respiratory masks and goggles for dyeing operators. <p>In conclusion, addressing these issues is essential for compliance with the ETI Base Code, legal requirements, operational safety, hygiene, and sustainability.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------------------------------|
| 3. Working conditions are safe and hygienic | 3.H Where identified as necessary to reduce r... | §1 | NC ZAF600817739 |
| | 3.M Ensure all machinery is installed, mainta... | §2 | NC ZAF600817740 |

Systems and evidence examined to validate this code section

Current Systems:

- The facility has implemented adequate controls to prevent accidents and injuries. A system is in place to record and investigate all accidents and near misses, ensuring appropriate corrective and preventive actions. The accident/incident log is routinely reviewed by relevant personnel. However, the facility does not submit the required half-yearly accident and injury report to the concerned authority (DIFE) as mandated by local law. Preventive measures are in place to avoid recurrence.
- Regular risk assessments are conducted to identify potential hazards, with reviews occurring when processes change and at least annually. Findings from these assessments inform control measures. The most recent risk assessment was conducted on January 1, 2025.
- A qualified manager is appointed to oversee health and safety, possessing the necessary knowledge and authority to implement related systems effectively. Mr. Sumon Kante Sinha-General Manager (HR & Compliance), is responsible for health and safety at the site.
- A health and safety committee was formed on November 18, 2024, ensuring worker participation in safety management. It consists of 12 members (6 employee representatives and 6 from management) and meets at least once every 3 months (quarterly), as required by law. Meeting minutes are documented and distributed to the workforce through appropriate means, such as posting on the notice board and announcements on the PA system, raising visibility and awareness of H&S issues in the workplace. The last meeting was held on January 25, 2025.
- The facility provides health and safety training to all new workers before exposure to risks, with ongoing training for existing workers based on identified hazards. Recent training sessions include:
 Orientation: February 2, 2025
 Health & Safety: February 4, 2025
 ETI Base Code: January 22, 2025
 Chemical Handling: February 9, 2025
 PPE (Personal Protective Equipment): February 2, 2025
 Mid-Level Management: January 9, 2025
 Fire Safety: February 5, 2025
- The facility evaluates health and safety training effectiveness. However, displaced machine safety guards pose risks of accidents, injuries, and regulatory non-compliance.
- First-aid supplies are available on-site, with 629 trained first-aid responders covering all shifts. First-aid kits are located in each production area. The facility operates a medical center with 03 doctors, 03 nurses, and 05 medical assistants. A medical agreement with MediHope Hospital & Diagnostic Center is valid until December 30, 2030.
- The facility provides appropriate PPE to workers free of charge, but some workers do not use the required PPE, such as overlock machine operators without face masks, knitting operators without earplugs, and dyeing operators without respiratory masks and goggles.
- The facility ensures all premises are safe, with valid safety certifications for structural, fire, and electrical safety. If a required certificate cannot be obtained, third-party inspections verify building safety. Initial assessments by the RMG Sustainability Council (RSC) for structural integrity, fire safety, and electrical safety were conducted on December 19, 2012, April 1, 2014, and April 2, 2014, respectively with successive follow-ups by RSC. However, the factory has completed remediation on all structural issues identified in the Accord initial and RSC follow-up structural inspection reports. Any color category associated with this factory is no longer valid, and the RSC is satisfied that general compliance with their structural safety standard is achieved.
- Workers can stop work, seek safety, or leave the premises without retaliation if they perceive imminent danger. Effective fire safety measures include accessible evacuation routes, fire detection systems, firefighting equipment, training, and regular drills

covering all shifts.

Last Fire Drills: Day Time and Night Time.

Day Fire Drill:

Date: January 27, 2025

Time: 12:00 PM

Participants: 8,240 (Male: 5,107, Female: 2,532)

Evacuation Time: 3 minutes 56 seconds

Night Fire Drill:

Date: November 19, 2024

Time: 11:00 PM

Participants: 933

Evacuation Time: 3 minutes 57 seconds

Fire Safety:

- Emergency lights are functional on each floor and staircase.
- Evacuation aisles are clearly marked throughout the facility.
- Electric exit lights with backup power are installed at each exit.
- An adequate assembly area is available in front of the facility.
- Firefighting equipment is sufficient, with monthly checks.
- Evacuation plans are posted in the local language on every production floor and shed.
- Fire hoses and alarms are operational throughout the facility.
- An addressable smoke detection system is installed in the production building.
- Fire Safety Officer, Md. Shah Kamal oversees fire safety protocols.
- The facility has a firefighting team consisting of 629 trained firefighters, 629 rescue personnel, and 629 first-aid personnel.
- Machinery is installed, maintained, and operated safely to prevent fire hazards.
- Hazardous substances are logged and managed according to safety protocols.
- Emergency procedures, including fire response, are in place, and workers are aware of them.

Chemical Safety:

- All chemicals are properly labeled and stored in secondary containment where necessary.
- Proper procedures are followed for transportation, storage, and handling.
- Material Safety Data Sheets (MSDS) are available, with hazard diagrams and signage displayed.
- An eye wash facility is provided for chemical handlers exposed to hazardous chemicals such as Caustic Soda, Spot remover, Acetone, Sulfuric Acid, Acetic Acid, Polymer Resin, Silicate, etc.
- Workers in the chemical store confirmed receiving training on proper handling and emergency response.

Electrical Safety:

- Electrical equipment, including sockets, plugs, switches, and fuse boards, is well-maintained.
- Facility-employed electricians conduct regular inspections per a scheduled roster.
- Electrical channels, distribution boards, and connections are inspected daily and monthly.
- Ventilation, temperature, and lighting are adequate for production processes.
- Systems are in place to protect workers from extreme weather conditions, including heat stress.
- An electrical safety program is managed by qualified personnel.

Facilities and Hygiene:

- The facility provides clean, secure toilets, wash areas, changing facilities, and hygiene supplies, ensuring gender separation and privacy.
- Potable water is available throughout the facility, with up-to-date test certificates.
- Adequate clean toilets are available (Male: 273, Female: 193), segregated by gender.
- No dormitory facilities are provided for employees.
- The facility complies with Workplace Requirements (WRs) and relevant health and

safety legal requirements to maintain safe and hygienic working conditions.

Evidence Examined:

- Health and Safety Policy
 - Health and Safety Manual
 - Training Records and Certificates
 - Fire Equipment Maintenance Records
 - Fire Drill Records
 - Government Licenses and Air/Noise Quality Checks
 - Building Structure Safety Certificate
 - Trained First Aider Register
 - Accident Reports
 - Risk Assessment Reports
 - Health Examination Reports
 - Chemical List and MSDS
 - Potable Water Testing Certificates, etc.
-

Findings: non-compliances

ZAF600817739

Non-compliance

Due 2025-03-26

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.H Where identified as necessary to reduce residual risk, provide (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE).

Time given to resolve

30 days

Issue title

278 - Personal Protective Equipment (PPE) provided but incidents of workers not using PPE where appropriate

Verification method

Desktop audit

Description

Based on the site tour, document review, management and worker interviews, the following was noted:

Area of non-compliance/non-conformance

Local law

Base code

a. The facility has 594 overlock machine operators. Randomly checked, 18 out of 50 overlock machine operators on the 3rd, 4th, and 5th floors of production building #01 and the 10th, 11th, and 12th floors of the sewing section in production building #03 were not using face masks (PPE) to protect against inhaling airborne dust or harmful particles.

b. The facility has 250 knitting section operators. Randomly checked, 20 out of 50 knitting section operators on the 1st floor of shed #04 and the 2nd floor of shed #06 were not using earplugs (PPE) to protect against potential ear damage.

c. The facility has 430 dyeing section operators. Randomly checked, 15 out of 45 dyeing section workers on the ground floor of shed #07 and #08 were not using respiratory masks and goggles (PPE) during work to protect from potential impact on the respiratory system and accidental splashes of chemicals on eye injury.

According to the management, the root cause of this issue was a lack of monitoring by the concerned personnel. However, the facility maintains a PPE register, provides the required PPE, has a PPE policy in place, conducts risk assessments related to PPE, and offers periodic training to relevant workers. The last PPE training was provided on February 1, 2025.

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that all employees are using appropriate PPE (Personal Protective Equipment) when required.

Local law reference

In accordance with The Bangladesh Labour Rules, 2015, Chapter 6, Section-67 (1), Safety measures and health safety must be arranged in accordance with the directions of this Rule or the regulations of the concerned govt. department for the workers who are employed in the procedures of manufacturing processes that have high risks of physical injury or loss. In accordance with The Bangladesh Labour Rules, 2015, Chapter-6, Section-67 (2), In addition to the arrangement of safety and health protection measures mentioned in Sub-section (1), the concerned manufacturing institute must provide necessary equipment's, including safety shoes, helmets, goggles, masks, hand gloves, ear muffs, ear plugs, waist belts, aprons etc. and arrange training programs for the workers in using these materials and ensure their usage. In accordance with The Labour Bangladesh Rules, 2015, Chapter 6, Section-67 (3), No worker can be employed in the relevant works without ensuring safety and health protection measures and the training related therewith. In addition, personal safety equipment must be reserved in accordance with Information Form-23.

Evidence



[NC- Overlock Machine Operator not using Face Mask.png](#)



[NC- Knitting Section Operator Were Not Using Ear Plug.jpg](#)



[NC- Dyeing Section Worker Were Not Using Required PPE.jpg](#)

* PDF generated at 06:14 (UTC) on 24 Feb 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

ZAF600817740

Non-compliance

Due 2025-03-26

Code area

3 Working conditions are safe and hygienic

Status

Open*

Workplace requirement

3.M Ensure all machinery is installed, maintained, and used in a safe manner.

Time given to resolve

30 days

Issue title

264 - Machines lack appropriate safety guards (e.g. eye or needle guards on sewing machines, belt/hand guards on other machines)

Verification method

Desktop audit

Description

Based on factory tour it was noted that randomly checked 15 out of 50 eye guards of overlock machines were found in displaced condition while working at sewing sections on on 3rd,4th & 5th floor in production building#01 and 10th,11th & 12th floor in sewing section on production building#03. Facility have running 594 Overlock machines on 3rd,4th & 5th floor in production building#01 and 10th,11th & 12th floor in sewing section on production building#03. In addition, randomly checked 15 out 35 needle guards of plain sewing machine were found in displaced condition while working at sewing sections on on 3rd,4th & 5th floor in production building#01 and 10th,11th & 12th floor in sewing section on production building#03. Eye guards and needle guards are crucial safety features designed to protect workers from flying debris, thread, and needles. If these guards are not properly in place, workers are exposed to greater risk of accidents, such as eye damage or puncture wounds, which could lead to serious injuries. Last machine safety awareness training was provided by factory on 11 February 2025.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that protective safety devices are provided on all required machines.

Local law reference

In accordance with Bangladesh Labour law 2006, Section-63, In every establishment the following shall be securely fenced by the safeguards of substantial construction which shall be kept in a position while the part of machinery required to be fenced are in motion or in use, every dangerous part of any machinery.

Evidence



[NC- Needle Guard Displaced
for Plain Sewing
Machine.jpg](#)



[NC- Eye Guard Displaced at
Overlock Machine for
Sewing Section.png](#)



* PDF generated at 06:14 (UTC) on 24 Feb 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

3. Working conditions are safe and hygienic

Data points

| | |
|---|--|
| Is someone within the company responsible for health and safety? | Yes, senior manager or business owner Yes, qualified safety officer |
| Do workers operate high risk or heavy machinery or vehicles as part of their jobs? | No |
| Do workers handle or have access to hazardous substances (e.g. chemicals or pesticides)? | Yes Based on the site tour, document review, and interviews with workers and management, it was observed that workers handle or have access to several hazardous substances, particularly in the dyeing, printing, and ETP processes. These substances include, but are not limited to: - Caustic Soda - Spot remover - Acetone - Sulfuric Acid - Acetic Acid - Polymer Resin - Silicate, etc. |
| Who organises accommodation for workers? | Workers independently arrange their own accommodation |
| Who organises worker transportation between accommodation and worksite? | Workers organise their own transport |
| Who organises worker transportation while at work? | Workers organise their own transport |
| Do all structural additions (e.g. added floors) have a valid permit/inspection report as per local law? | Yes The facility has a valid construction approval plan and layout plan. |
| Does the visual appearance of the building give you any immediate concerns about the structural integrity of the building? | No |
| Are there any cracks observed in the walls, floors, ceilings or other areas of the facility, both internally or externally? | No |
| Does the site have a structural engineer evaluation? | Yes |

4. Child labour shall not be used

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The factory develops and maintains relevant policies and procedures (e.g., Child Labor Remediation, Hiring, and Age Verification systems) to ensure that child labor is not used, in compliance with local laws and Workplace Requirements (WRs). These policies and procedures are regularly updated.</p> <p>2. The facility appoints Mr. Sumon Kante Sinha-General Manager (HR & Compliance), who possesses sufficient seniority to implement procedures that ensure compliance with child labor requirements.</p> <p>3. The factory regularly communicates and trains employees, including managers and supervisors, on relevant policies and procedures through notice boards, training sessions, and meetings to ensure that child labor is not used. Recent training on child labor was conducted for workers on February 9, 2025, and for mid-level management on January 9, 2025.</p> <p>4. The factory monitors the effectiveness of procedures to ensure they meet policy and Workplace Requirements (WRs) regarding the prohibition of child labor.</p> <p>In conclusion, the site complies with both the ETI Base Code and legal requirements as observed during the audit.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

- The facility ensures that no worker is under the age of 18, in compliance with local legal requirements. To enforce this policy, the facility meticulously verifies the authenticity of all workers' national ID cards, birth certificates, and other relevant documents during the recruitment process, retaining photocopies for record-keeping.
- Additionally, the facility verifies workers' ages through registered medical professionals and conducts periodic reviews of employee files for compliance. Each employee file contains comprehensive information, including a bio-data sheet, a recent photograph, a birth registration certificate, or photocopies of national identification cards.
- The facility has a written policy and process outlining how child labor would be remediated, in line with ILO guidance and local legal requirements where applicable. Where necessary, the facility provides remediation and safeguarding for underage workers, also in accordance with ILO guidance.
- Through diligent monitoring, the facility confirms that no child or young employee is present on its premises, ensuring full compliance with all other applicable laws that impose conditions on the Code Area.

Evidence Examined:

- Recruitment policy.
- Policy on No-Child labour.
- Personal file including Birth certificate, primary/secondary education certificate, National ID card, etc. of sample employees.
- Age verification documents, etc.

4. Child labour shall not be used

Data points

| | |
|---|----------------|
| Percentage of workers that are age 24 or younger | 23% |
| Enter the legal age of employment | 14 |
| Enter the age of the youngest worker identified | 18 |
| Enter the number of workers under local legal minimum age | 0 |
| Enter the number of workers under 15 years old | 0 |
| Percentage of workers that are apprentices, trainees or interns | 0% |
| Were there children present on the work floor but not working at the time of audit? | No |
| Do children live at the accommodation provided to workers? | Not Applicable |

5. Legal wages are paid

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Some Improvements Recommended |
| Explanation for management systems grades | <p>1. The facility has a well-defined wage policy ensuring all employees receive at least the minimum wage, in compliance with local laws. The policy covers payment structures, overtime rates, and benefits, with clear timelines for disbursement. Wages are paid transparently and documented to ensure fairness and compliance.</p> <p>2. A dedicated team, led by Mr. Sumon Kante Sinha-General Manager (HR & Compliance), oversees wage administration and compliance. Payroll systems are in place for accurate calculation and record-keeping.</p> <p>3. All employees are trained on their rights to fair wages and benefits during onboarding. Information is reinforced through worker meetings, wage slips, and communication materials in local languages. Managers receive specialized training on wage compliance to prevent errors or violations. The most recent training on wages and benefits took place on January 15, 2025.</p> <p>4. Regular internal audits verify that wages meet minimum wage benchmarks. Payroll records and payment practices are reviewed, and worker feedback is collected through grievance mechanisms. Non-compliance issues are promptly addressed.</p> <p>However, due to a lack of oversight, the facility does not calculate and compensate actual overtime hours based on the recorded in-time and out-time of employees.</p> <p>In conclusion, the site does not comply with both the ETI Base Code and legal requirements for accurate overtime payment. This discrepancy in overtime compensation violates the legal requirements, which affects worker rights regarding wages, benefits, and fair employment practices.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
|-----------|-----------------------|-----------|---------|

5. Legal wages are paid

5.E Ensure workers are remunerated for all ti...

§1

NC [ZAF600817741](#)

Systems and evidence examined to validate this code section

Current Systems:

- The facility has a comprehensive policy to provide all forms of compensation and benefits to its employees. Workers are paid in accordance with the monthly minimum wage gazette requirements, which is BDT 12,500, and wages are determined based on skills, seniority, responsibility, and education. Overtime work is voluntary, and overtime wages, calculated at double the basic rate as required by local law, are paid promptly along with the monthly wages. The factory issues monthly pay slips to employees in the local language, and for those unable to read, counselors explain wage and overtime calculations, including any deductions. There are no deductions or penalty charges for disciplinary actions. The facility also counts time spent in meetings and training as working hours and compensates employees accordingly.

- The factory provides various benefits, such as legally mandated insurance, earned leave encashment, and other legally mandated benefits to all workers. It complies with legal requirements regarding leave, offering maternity leave, festival leave, and annual leave. Employees are entitled to 14 days of sick leave and 10 days of casual leave. Workers receive treatment from the facility doctor or a contracted medical center when needed. All workers received payment through a monthly wage system, with fixed salaries and no piece-rate workers. The factory's wage calculation period spans from the 1st to the 30th or 31st of each month.

- The factory ensures that wages are paid through cash within the first seven working days of the subsequent pay period. The latest payment date recorded was February 6, 2025, for January 2025 salaries as verified by payroll records. The factory has a policy on yearly increment i.e. 9% of basic wage who completed one-year services. The factory-made deduction from the basic wages for unauthorized absent as per the law. The facility management compensates workers with a 200% premium on their basic wage for overtime.

- Mr. Sumon Kante Sinha-General Manager (HR & Compliance), is responsible for overseeing the compensation and benefits system, ensuring compliance with internal policies and legal requirements. The facility arranges training sessions to ensure workers are aware of their compensation, benefits, and rights.

- In the audit, 102 workers (71 male and 31 female) were selected for interviews and reviews of payroll, working hours, and other records from different production and non-production sections. Payroll records and timecards for sampled workers from January 2025 (the most recent paid month), September 2024 (randomly selected), and April 2024 (randomly selected) were reviewed, along with attendance registers, production records, inspection reports, and other relevant documents.

- The employment contract or appointment letter clearly outlines wage details in the local language, including rates of pay, total pay, overtime, payment frequency, deductions, benefits, insurances, and paid leave, before employment begins. Additionally, the factory provides written updates for any changes to these terms during the course of employment.

Note: There is no defined legal requirement for minimum wages per day and per week, also no minimum overtime wage per day, per week and per month.

Evidence Examined:

- Wage policy
- Payroll records
- Pay slips including all deductions
- Insurance agreement and certificate
- Disciplinary policy and record
- Deduction records
- Employment contract in local language
- Attendance records
- Interviews with workers and management, etc.

Findings: non-compliances

ZAF600817741

Non-compliance

Due 2025-04-25

Code area

5 Legal wages are paid

Status

Open*

Workplace requirement

5.E Ensure workers are remunerated for all time worked, including meetings and essential training. Meetings and essential training shall take place at no cost to the worker and during remunerated working hours.

Time given to resolve

60 days

Issue title

896 - Workers are not remunerated for all time worked - Isolated

Verification method

Desktop audit

Description

It was noted based on documents review and management interview that, randomly checked 05 out of 102 Workers actual over time hour was not calculated and compensated based on In time and out time record during the month of January 2025, September 2024 and April 2024. For example, workers working shift starts from 08:00 am and ends at 17:00 pm and workers actual In time according to the time card record was 08:08 am to 19:32 pm but the worker received overtime payment for 02 hours instead of 02 hours and 32 minutes.

Area of non-compliance/non-conformance

Local law
Base code

Corrective and preventative actions

It is recommended that management adopt practices and controls to ensure that actual over time hour is calculated and compensated based on In time and out time record for all workers of the factory.

Local law reference

In accordance with Bangladesh Labour Law 2006, Section-108. Extra-allowance for overtime : (1) Where a worker works in an establishment on any day or week for more than the hours fixed under this Act, he shall, in respect of overtime work, be entitled to allowance at the rate of twice his ordinary rate of basic wage and dearness allowance and ad-hoc or interim pay, if any. (2) Where any worker in an establishment are paid on a piece rate basis the employer, in consultation with the representatives of the workers, may, for the purposes of this section, fix time rates as nearly as possible equivalent to the average rates of earnings of those workers, and the rates so fixed shall be deemed to be the ordinary rates of wages of those workers. (3) The government may prescribe registers to be maintained in an establishment for the purpose of securing compliance with the provisions of this section.

Evidence

[NC workers not remunerated for all time worked.jpg](#)



* PDF generated at 06:14 (UTC) on 24 Feb 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

5. Legal wages are paid

Data points

| | |
|--|------------------------|
| What is the basic wage paid to workers? | The legal minimum wage |
| Does the site use digital payment methods (i.e. money paid directly into a bank account) to pay workers? | Only digital payments |
| How much as a percentage of their pay does a worker receive as 'payment-in-kind' benefits? | None |

Worker remuneration

| | |
|--|----------------|
| Which benefits are provided to permanent or full-time workers that are not provided to temporary or part-time workers? | Not applicable |
|--|----------------|

Summary information

| | | |
|--|--------------------------|----------------|
| Is legal wage/legally recognised CBAs data available for any of these options? | Monthly | |
| Is actual wage data available on site for any of these options? | Monthly | |
| Maximum legal working hours | Max hours per day | 8.0 |
| | Max hours per week | 48.0 |
| | Max hours per month | Non applicable |
| Actual required working hours | Required hours per day | 8.0 |
| | Required hours per week | 48.0 |
| | Required hours per month | Non applicable |
| Maximum legal overtime hours | Max hours per day | 4.0 |
| | Max hours per week | 24.0 |
| | Max hours per month | Non applicable |

| | | |
|------------------------------|---------------------|----------------|
| Actual overtime hours | Max hours per day | 2.0 |
| | Max hours per week | 12.0 |
| | Max hours per month | 48.0 |
| Minimum legal wage | Min per hour | Non applicable |
| | Min per day | Non applicable |
| | Min per week | Non applicable |
| | Min per month | 12500.0 |
| Actual minimum wage | Actual per hour | Non applicable |
| | Actual per day | Non applicable |
| | Actual per week | Non applicable |
| | Actual per month | 12500.0 |
| Minimum legal overtime wage | Min per hour | Non applicable |
| | Min per day | Non applicable |
| | Min per week | Non applicable |
| | Min per month | Non applicable |
| Actual minimum overtime wage | Actual per hour | Non applicable |
| | Actual per day | Non applicable |
| | Actual per week | Non applicable |
| | Actual per month | Non applicable |

Wage analysis

| | |
|---|---|
| Number of workers' records checked | 102 |
| Provide the date and details of the records | 102 samples taken from January 2024 (Most recent month) 102 samples taken from September 2024 (Random month-1) 102 samples taken from April 2024 (Random month-2) |

| | |
|---|--|
| Are there different legal minimum/ legally recognised CBAs wage grades? | Yes The Government announced pay structure on 18 December 2023 for the workers of the Garments Industries with effect from December 2023. For Schedule-1: Grade 1- BDT 15035; Grade 2- BDT 14273; Grade 3- BDT 13550 and Grade 4- BDT 12500 and for Schedule-2: Grade 1- BDT 18800; Grade 2- BDT 15950; Grade 3- BDT 15200 and Grade 4-12800. |
| For the lowest paid workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum/ legally recognised CBAs? | Above legal minimum |
| Indicate the breakdown of workforce per earnings | Lowest gross salary is BDT. 12500 which Meets minimum legal wage (As per new pay structure announced on December 20, 2023). 80 % of workforce earning above minimum wage. |
| Are there any bonus schemes used? | Yes Festival bonus: 100% of basic wage twice per year who have completed 01 year of job duration and 50% of Basic wage who have completed 6 months of job completion. Attendance Bonus: Facility provides attendance bonus as per company policy for full attendance. |
| Were accurate records shown at the first request? | Yes |
| Were any inconsistencies found? | No |

5.A. Living wages are paid

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|---|-----------|---------------------------------|
| 5.A. Living wages are paid | 5.A.A Review workers' total pay including ben... | | NC ZAF600817742 |
| Systems and evidence examined to validate this code section | <p>Current Systems:</p> <ul style="list-style-type: none"> - The facility has a policy to provide all types of compensation and benefits to employees. Counselors are available to educate employees who cannot read about wage and overtime calculations, with all deductions clearly explained. The facility ensures all workers receive at least the legal minimum wage and provides monthly wage slips. - The facility calculates living wages manually based on worker expenses, but has not determined the potential gap between the present local minimum wage and the living wage required to meet a decent living standard. As per The Anker Methodology, the monthly living wage for Satellite Cities and areas Surrounding Dhaka, Bangladesh is BDT 23,100. However, the factory is providing minimum wages to all workers in accordance with the law. <p>Evidence Examined:</p> <ul style="list-style-type: none"> • Living wage estimation record and method • Payroll records • Timecards • Salary slips • Overtime (OT) records • Interviews with workers and management, etc. | | |

Findings: non-compliances

ZAF600817742

Non-compliance

Code area

5.A Living wages are paid

Status

Open*

Workplace requirement

5.A.A Review workers' total pay including benefits and compare it with a credible 'living wage' to calculate a 'living wage gap', and understand what proportion of the workforce has a gap.

Time given to resolve

Verification method

Collaborative action required

Issue title

904 - CAR: A living wage gap analysis has been completed but it is missing key elements

Area of non-compliance/non-conformance

Base code

Description

It was noted that the facility has estimate living wage but did not determine a potential gap between present local minimum wage and living wage to meet a decent living standard and so no actions to fill the gaps. According to The Anker Methodology, the monthly living wage for Satellite Cities and areas Surrounding Dhaka, Bangladesh is BDT 23,100. However, the factory is providing minimum wages to all workers in accordance with the law.

Corrective and preventative actions

It is recommended that the facility should take necessary actions to meet the living wage gap.

* PDF generated at 06:14 (UTC) on 24 Feb 2025. [View this finding on the Sedex platform](#) for live updates and closure details.

6. Working hours are not excessive

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The facility enforces a comprehensive working hours policy, aligned with local labor laws and SMETA standards, ensuring reasonable hours, voluntary overtime, and adequate breaks and rest days.</p> <p>2. The timekeeping system, managed by a dedicated team led by Mr. Sumon Kante Sinha-General Manager (HR & Compliance), accurately tracks employees' working hours and overtime. Sufficient resources are allocated to maintain the system and address discrepancies promptly.</p> <p>3. Managers and supervisors are trained on working hours regulations, including proper scheduling and overtime management. Workers are informed about their rights, rest breaks, and overtime policies during orientation. Information is displayed on notice boards and shared in local languages to ensure accessibility. The last training on working hours took place on January 15, 2025.</p> <p>4. Regular internal reviews ensure compliance with working hours policies. The most recent internal audit, conducted on January 20, 2025, found that the site fully meets requirements, with no areas needing improvement.</p> <p>In conclusion, the site complies with the ETI Base Code and legal requirements, ensuring reasonable working hours and a healthy, productive workforce.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
| | No findings | | |

Systems and evidence examined to validate this code section

Current Systems:

- The facility has implemented a comprehensive working hour policy that complies with legal requirements and ensures transparency in operations. The garment division has a general working shift from 8:00 am to 5:00 pm with a 1-hour break from 1:00 pm to 2:00 pm. The knitting, printing, embroidery, dyeing, washing, and security sections operate in 2 shifts: Shift A from 8:00 am to 5:00 pm with a 1-hour break from 1:00 pm to 2:00 pm, and Shift B from 8:00 pm to 5:00 am with a 1-hour break from 1:00 am to 2:00 am. Workers on multiple shifts have their schedules changed weekly on a roster basis.

- The facility ensured that employees worked 8 hours per day and 48 hours per week. The factory operates from Saturday to Thursday, with Friday as the designated weekly holiday.

- The facility maintains accurate and detailed time records for all employees. During the audit, the auditor cross-verified production records (material in/out logs, daily production reports) against payroll and attendance records, and no discrepancies were observed. Overtime work is strictly voluntary, as confirmed through employee interviews, and workers are not coerced to exceed regular hours.

- The facility has assigned Mr. Sumon Kante Sinha-General Manager (HR & Compliance), as the responsible individual for overseeing compliance with working hour regulations. Additionally, the factory has a system in place to ensure proper record-keeping, accurately reflecting the actual days and hours worked. A thorough review of 102 sample records from January 2025 (current month), September 2024 (random month -1), and April 2024 (random month-2) showed the maximum working hours were 10 hours per day and 60 hours per week.

- The audit confirmed that the facility provides one day off every 6 days of continuous work, meeting the legal requirement for weekly rest. The facility has also developed internal controls and training programs to ensure that the policy is well understood by management and employees, and compliance is consistently monitored.

However, the facility workers worked on 3 January 2025, 17 January 2025, and 5 April 2024 (weekend days) with consecutive work periods ranging from 9 to 13 days. The weekend work on 5 April 2024 has been adjusted with the Eid Ul Adha festival holiday in 2024. The weekend work on 3 January 2025 and 17 January 2025 will be adjusted with the upcoming Eid Ul Fitr festival holiday in 2025 with the consent of the Participation Committee, in compliance with local law.

Evidence Examined:

- Working hour policy
- Time card
- Employment contract
- Working shift approval
- Overtime policy
- Payroll record
- Overtime payment record
- Site tour
- Interviews with workers and management, etc.

6. Working hours are not excessive

Data points

| | |
|---|--|
| Is the sample size the same as in the wages section? | Yes |
| Normal day overtime premium as a percentage of standard wages | 200% |
| If the site pays an overtime premium of less than 125% and this is allowed under local law, are there other considerations? | The factory provides an overtime rate of 200% of the basic wage. |
| Excluding overtime, what are the regular working hours per week for workers at this site? | 48.0 |
| Including overtime, what is the average number of working hours per week for full-time workers at this site? | 58.0 |
| In the sample, what was the maximum number of hours worked in a single week, including overtime, for any worker at this site? | 60.0 |
| Maximum number of days worked without a day off in sample | 13 |

7. No discrimination is practiced

Management systems

| | |
|--|--|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The factory develops and maintains comprehensive policies and procedures to ensure a workplace free from discrimination. These policies promote equal treatment and opportunities for all employees, regardless of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation. They are regularly reviewed and updated.</p> <p>2. The factory has appointed Mr. Sumon Kante Sinha-General Manager (HR & Compliance), with sufficient seniority, to oversee and enforce anti-discrimination standards.</p> <p>3. Employees, including managers and supervisors, receive training on relevant policies and procedures through notice boards, training sessions, and meetings to ensure a discrimination-free workplace. The most recent training on discrimination took place on February 4, 2024.</p> <p>4. The factory regularly monitors the effectiveness of these procedures to ensure alignment with policies and Workplace Requirements related to discrimination.</p> <p>In conclusion, the site complies with both the ETI Base Code and legal requirements, as observed during the audit.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

- The facility has a strict policy against discrimination in various aspects of employment, including hiring, compensation, access to training, promotion, termination, or retirement, irrespective of factors such as race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation. This policy is evidenced by the equal distribution of female and male workers across all types of work within the facility.
- The facility's employment policies and processes are sufficient to prevent discrimination at all stages of employment. There is no requirement or allowance for health checks during the recruitment process or employment that could be used to unfairly avoid hiring or retaining workers with certain health issues or medical conditions, including pregnancy or HIV/AIDS, unless explicitly required by law.
- The facility maintains an internal grievance process, and all sampled employees are aware of the channels available to address any discrimination issues they may encounter. No instances of sexual harassment were found.
- The facility has a dedicated equity approach in its recruitment, training, development, and promotion processes. Equal wages are provided to employees of the same rank regardless of gender, and there are no restrictions on the formation of trade unions within the factory.
- The facility complies with all other applicable laws that impose conditions on Code Area 7.

Evidence Examined:

- Factory anti-discrimination policy
- Recruitment policy, rules, and regulations
- Employees' personnel files
- Training records
- Termination records, etc.

7. No discrimination is practiced

Data points

| | |
|---|---|
| Percentage of women workers in skilled or technical roles (e.g. where specific qualifications are needed, such as engineer/laboratory analyst)? | 0% |
| Representation of women in managerial roles (ratio of women workers to women managers) | 0% |
| Representation of women in supervisory roles (ratio of women workers to women supervisors) | 2% |
| Three most common nationalities in managerial and supervisory roles | Only Bangladeshi nationalities in managerial and supervisory roles are available in the facility. |

8. Regular employment is provided

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The factory develops and maintains policies and procedures to ensure regular employment in compliance with local laws and Workplace Requirements (WRs). These policies provide directly hired workers with clear, understandable information before employment begins and are regularly updated.</p> <p>2. Mr. Sumon Kante Sinha-General Manager (HR & Compliance), is responsible for overseeing the implementation of these procedures to ensure alignment with legal and Workplace Requirements (WRs).</p> <p>3. The factory communicates and trains employees, including managers and supervisors, on relevant policies and procedures through notice boards, training sessions, and meetings to reinforce compliance with regular employment standards.</p> <p>4. Regular monitoring ensures the effectiveness of these procedures, confirming compliance with policies and Workplace Requirements (WRs).</p> <p>In conclusion, the site complies with both the ETI Base Code and legal requirements regarding regular employment, with no instances of unlawful employment observed during the audit.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current systems:

- The facility maintains comprehensive personal files for all employees, which include appointment letters and identity cards as proof of employment. Workers are provided with written contracts that specify the terms and conditions of employment, meeting all legal requirements in a language they can understand.
- The facility has a policy and procedure in place to ensure the provision of various compensations and benefits, including the timely disbursement of monthly wages and overtime allowances, in accordance with legal obligations. Employees are entitled to a 60-day notice period should they wish to resign, and all recruitment processes are conducted directly by the factory, without involving labor agencies.
- The facility uses an employment or engagement model that is appropriate to and intended for the nature of work undertaken in the local context. There was no evidence of the utilization of apprenticeships, temporary, irregular, sub-contracted, or non-employment models of labor for the purpose of avoiding obligations related to regular employment, regardless of legality.
- The audit confirmed the absence of temporary workers, apprenticeship schemes, or home workers. Additionally, there were no instances of wage withholding observed, with all employees receiving signed labor contracts and ID cards upon recruitment. The facility diligently maintains service books for all employees.
- The facility complies with all other applicable laws that impose conditions on Code Area 8.

Evidence Examined:

- Factory policy, rules and regulations
- Employees' personnel files
- Employees' ID card
- Pay slips etc.

8. Regular employment is provided

Data points

| | |
|---|--------|
| Percentage of workers that are permanently or temporarily employed | 100.0% |
| Percentage of workers that have been engaged via irregular, sub-contracted or non-employment models of labour, rather than permanent or temporary contracts of employment | 0.0% |
| Percentage of workers employed as apprentices, trainees or interns | 0.0% |

8.A. Sub-contracting and homeworkers are used responsibly

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The factory maintains and updates policies and procedures to prevent unauthorized subcontracting or home-working, ensuring compliance with local laws and Workplace Requirements (WRs).</p> <p>2. Mr. Sumon Kante Sinha-General Manager (HR & Compliance), is responsible for implementing and overseeing these procedures.</p> <p>3. Employees, including managers and supervisors, receive training on these policies through notice boards, training sessions, and meetings to reinforce compliance.</p> <p>4. The factory regularly monitors the effectiveness of these procedures to ensure alignment with policies and Workplace Requirements (WRs).</p> <p>In conclusion, the facility does not engage in subcontracting or home-working and complies with both the ETI Base Code and legal requirements, as confirmed during the audit.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|---------|
| | No findings | | |

Systems and evidence examined to validate this code section

Current Systems:

- The facility does not engage in any form of subcontracting or homeworking, as confirmed through a review of the in-and-out challans (material movement records), which showed that no production processes were outsourced. All stages of production including Dyeing, Printing, Cutting, Sewing, Finishing, and Packing are handled entirely in-house with no need for external support.
- The oversight for maintaining these standards is managed by Mr. Sumon Kante Sinha-General Manager (HR & Compliance), who ensures that all processes remain compliant and within the facility's operations.

Evidence Examined:

- Shipment record
- Goods in and out register
- Production record
- Goods in and out gate pass / records
- Management & Worker interviews etc.

8.A. Sub-contracting and homeworkers are used responsibly

Data points

Are homeworkers employed directly or engaged through an agent? Not applicable

Gender disaggregated data available

Number of homeworkers used

| | Men | Women | Other | Total |
|-------------------|-----|-------|-------|-------|
| Number of workers | - | - | - | - |

What processes are carried out by homeworker?

Are full records of homeworkers available at the site?

Does the supplier buy products or services from suppliers that use homeworkers? No
The facility does not employ any homeworkers.

Sub-contracting

Are there any concerns about unrecorded work or undeclared sub-contracting on site, giving considerations to the workers' capacity? No
The facility does not use any subcontractors for their production.

Are any sub-contractors used? No

9. No harsh or inhumane treatment is allowed

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The facility has an anti-harassment and abuse policy prohibiting physical abuse, threats, sexual or other forms of harassment, verbal abuse, and intimidation, in compliance with local laws and Workplace Requirements (WRs). These policies are regularly updated.</p> <p>2. Mr. Sumon Kante Sinha-General Manager (HR & Compliance), is responsible for implementing and overseeing these procedures.</p> <p>3. Employees, including managers and supervisors, receive regular training on these policies through notice boards, training sessions, and meetings. The most recent training on harassment and abuse was conducted on February 4, 2025.</p> <p>4. The facility continuously monitors compliance with these policies to ensure adherence to legal and Workplace Requirements (WRs).</p> <p>In conclusion, the site complies with the ETI Base Code and legal requirements, as confirmed during the audit.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

- The facility has a strict policy that explicitly prohibits physical abuse or discipline, threats of physical abuse, sexual or other forms of harassment, and verbal abuse or intimidation. This policy is communicated to all workers and reinforced through employee training sessions.
- The facility has a disciplinary policy and procedures that are fair and appropriate. It has implemented measures to prevent and control the risks of harsh or inhumane treatment, including gender-based violence and harassment, based on an identification of hazards and risks.
- The facility ensures appropriate training for workers at all levels in roles where risk has been identified, as well as those with relevant supervisory or administrative responsibilities, to prevent harsh or inhumane treatment in the workplace. The facility has systems in place to monitor the understanding and implementation of this training.
- All workers, with particular consideration given to vulnerable groups, have accessible information and training (where relevant) on the measures taken to prevent and control harsh or inhumane treatment, the identified risks, and their rights and responsibilities.
- The facility respects workers' privacy, and security checks are conducted by a member of the same gender as the worker.
- The facility has an internal grievance process that allows employees to anonymously report concerns related to health & safety, working hours, overtime, wages, benefits, working conditions, freedom of movement, harassment, abuse, or discrimination through multiple channels, such as grievance boxes, union representatives, or direct verbal/written reports. Management promptly addresses all complaints, ensuring no adverse consequences for reporting employees. Grievance boxes are strategically placed in toilet areas for confidential reporting.
- Based on the observations and employee interviews conducted during the audit, it is concluded that the facility complies with all other applicable laws that impose conditions on Code Area 9.

Evidence examined:

- Factory policy, rules, and regulations
- Employees' personnel files
- Worker participation committee meeting register
- Grievance register
- Training records etc.

9. No harsh or inhumane treatment is allowed

Data points

Is there a formal process for workers to report concerns, complaints, or problems ('grievance mechanism')?

Yes, there is a formal grievance process
 The grievance process is available to all workers
 The grievance process is available to members of the local community

What type of grievance mechanism(s) are available?

The facility provides an open channel for reporting labor standard violations, with information posted on notice boards. A complaint box is available in every washroom for receiving complaints. Workers can report violations directly through supervisors, management, suggestion boxes, the PC committee, the anti-sexual harassment committee, labor court, or NGOs. Additionally, the facility has established grievance handling procedures.

Number of grievances raised in the last 12 months 48

Number of grievances resolved in the last 12 months 48

10.A. Environment 2-Pillar

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The factory has established and maintains a comprehensive Environmental Management System (EMS) to ensure compliance with local laws and Workplace Requirements (WRs) related to the Environment 2-Pillar. This system includes policies and procedures for regulatory compliance, resource management, and pollution prevention, supporting continuous improvement. These policies are regularly updated.</p> <p>2. Mohammad Sazzad Hossain - ECR (Asst. General Manager), is responsible for overseeing the implementation of these environmental policies and procedures.</p> <p>3. Employees, including managers and supervisors, receive regular training on environmental policies through notice boards, training sessions, and meetings to ensure compliance with Environmental 2-Pillar audit requirements.</p> <p>4. The facility has an effective monitoring system to ensure compliance with policies, Workplace Requirements (WRs), and legal regulations.</p> <p>In conclusion, the site complies with the ETI Base Code and legal requirements, as confirmed during the audit.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

- The facility has an established Environmental Management and Health and Safety Policy. It identifies the aspects and impacts of its industrial activities and stays current with local, regional, and national environmental laws. Legal updates are communicated through training. Mr. Mohammad Sazzad Hossain - ECR (Asst. General Manager), oversees the facility's environmental performance.
- The facility complies with applicable laws and maintains the required documentation and environmental permits for resource use (e.g., water, energy, materials) and waste disposal. It has completed an Environmental Impact Assessment (EIA) to identify and address gaps between client environmental standards and its operational impact, conducted by Envirotech International Ltd. and issued the EIA report on February 17, 2020.
- The facility conducts annual assessments of air emissions, noise levels, humidity, carbon footprint, ODS, light level, and temperature, with the most recent one carried out by Envirotech International Ltd. on January 13, 2025. The facility also has a wastewater test report conducted by Intertek, and the report was issued on May 20, 2020.
- Additionally, the facility has a waste disposal agreement with Jest Workshop and M/S Prema Traders, valid until December 31, 2025.
- The facility maintains a chemical inventory, which includes hazardous substances used in the production process, especially in dyeing, printing, and ETP, such as but not limited to:
 - Caustic Soda
 - Spot remover
 - Acetone
 - Sulfuric Acid
 - Acetic Acid
 - Polymer Resin
 - Silicate, etc.

However, the facility provides training on the proper and safe transportation, storage, and handling of all chemical substances to meet client requirements and environmental regulations.

Evidence examined:

- Environmental policy, procedure, and training records
- Waste management policy
- Air emission and noise level test reports
- Water & energy consumption records
- Waste inventory records
- Environmental Impact Assessment (EIA), etc.

10.A. Environment 2-Pillar

Data points

| | |
|---|--|
| Has the site received an official notice, fine or prosecution for any non-compliances with environmental legislation, regulation, consent or permits (within the last three years)? | No |
| Does the site have any valid environmental or energy management certificates? | The facility holds an Environmental Clearance Certificate (ECC) for both the production process and the power generation of the captive power plant (CPP). |
| Are there any other sustainability certifications present (e.g. Forest Stewardship Council (FSC), Marine Stewardship Council (MSC))? | No |
| Has the site implemented or made plans to implement any adaptive measures to protect workers from the impact of climate change? | No |

10.B. Environment 4-Pillar

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|---|--|-----------|---------|
| | No findings | | |
| Systems and evidence examined to validate this code section | <p>Current Systems:</p> <ul style="list-style-type: none"> - The facility has an Environmental Management and Health and Safety Policy and Procedure in place. It has identified all aspects and impacts of its industrial activities and implemented systems to prevent, mitigate, or remedy potential negative environmental impacts across its operations and supply chain. Mr. Mohammad Sazzad Hossain - ECR (Asst. General Manager), is responsible for coordinating efforts to enhance environmental performance. - Policies and processes, endorsed at the highest level, have been communicated and include commitments to improve environmental performance while managing environmental impacts on relevant stakeholders. - The facility has set resource-use targets and developed a plan to achieve them. It maintains records on energy use, water use, solid waste, material consumption, hazardous substances, waste, and effluent discharge. - The facility actively monitors and mitigates its impacts on biodiversity. <p>Evidence Examined:</p> <ul style="list-style-type: none"> • Document reviews (policies, procedures, government licenses, environmental protection licenses, training records, waste disposal records). • Environmental Impact Assessment. • Environmental Management Plan. • Air emission and noise level test reports. • Water and energy consumption records. • Facility tour. | | |

10.B. Environment 4-Pillar

Data points

| | |
|--|--|
| Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks? | Yes |
| What additional specific environmental policies does the site capture? | Zero-waste and recycling protocols Switching to renewable energy sources Responsible use and management of water Circular economy and resource efficiency Sustainable material sourcing |
| Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues? | Yes The facility has a system in place for managing client requirements and destination country legislation related to environmental and chemical issues. |
| Does the site have reduction targets in place to manage climate related risks? | Yes, to reduce scope 1 greenhouse gases (GHGs) |
| Are any of these science-based targets? | No, but we anticipate setting one in the next two years |
| Does the site have reduction targets in place for environmental aspects (e.g. water consumption and discharge, waste, energy and green-house gas emissions: (Scope 1, 2 & 3))? | Yes The facility has set reduction targets for environmental aspects, such as, air emission, water consumption, waste management, chemical management etc. For example, the facility management has reduction target for water consumption through water recycling process. |
| Has the site checked that any sub-contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility? | Yes The facility has a process to monitor their suppliers or stakeholders whether they operated their business with valid permits and licenses in line with environmental expectations. |

Usage/discharge analysis

| | Last full calendar year (2024) | Previous full calendar year (2023) |
|--|--------------------------------|------------------------------------|
| Total electricity consumption from non-renewable sources (kWh) | 27,341,291 | 25,991,201 |
| Total electricity consumption from renewable sources (kWh) | 190,421 | 317,357 |

| | | |
|---|--|--|
| Sources of renewable energy used | Onsite generated | Onsite generated |
| Types of renewable energy used | Solar | Solar |
| Total natural gas consumption (kWh) | 241,952,850.5 | 228,454,348.1 |
| Usage of other purchased fuels | Diesel=13371 Liter, Gas=24195285 kWh | Diesel=10923 Liter Gas=228454348.1 kWh |
| Has the site completed any carbon footprint analysis? | Yes Scope 1: 43569 (tCO ₂ e) Scope 2: 0 (tCO ₂ e) Scope 3: 0 (tCO ₂ e) | Yes Scope 1: 42762 (tCO ₂ e) Scope 2: 0 (tCO ₂ e) Scope 3: 0 (tCO ₂ e) |
| Water sources | Ground water, Rain Water. | Ground water, Rain Water. |
| Does the site use mercury or mercury compounds? | Yes | Yes |
| Water volume used (m3) | 2,402,170 | 2,251,332 |
| Water discharged | Surface water body | Surface water body |
| Water volume discharged (m3) | 1,928,150 | 1,806,938.4 |
| Water volume recycled (m3) | 34,354 | 33,923 |
| Total waste produced (mt) | 4,195.7 | 4,365 |
| Total hazardous waste produced (mt) | 151.7 | 200.7 |
| Waste to recycling (mt) | 0 | 0 |
| Waste to landfill (mt) | 0 | 0 |
| Waste to other (mt) | 4,195.7 | 4,365 |
| Total product produced (mt) | 18,336.1 | 14,526.7 |

10.C. Business ethics

Management systems

| | |
|--|---|
| Develop and maintain relevant policies and procedures to ensure workplace requirements are met | Robust Management Systems |
| Appoint a manager with sufficient seniority who is responsible for implementing procedures | Robust Management Systems |
| Communicate and train employees and other workers, including managers and supervisors, on relevant policies and procedures | Robust Management Systems |
| Monitor the effectiveness of procedures to meet policy and workplace requirements | Robust Management Systems |
| Explanation for management systems grades | <p>1. The facility has a policy in place that complies with local and national laws related to bribery, corruption, and fraudulent business practices. These policies and procedures are regularly updated to maintain business ethics standards.</p> <p>2. The facility has designated Mr. Sumon Kante Sinha-General Manager (HR & Compliance), to oversee the implementation of business ethics standards across the facility.</p> <p>3. The facility provides business ethics training to relevant internal and external stakeholders through policy or notice boards, regular training sessions, or meetings using appropriate means of communication. The most recent training on business ethics was conducted on November 6, 2024 for workers and on January 2, 2025 for management.</p> <p>4. The facility regularly monitors the effectiveness of its procedures to ensure compliance with policies and Workplace Requirements (WRs).</p> <p>In conclusion, the site complies with both the ETI Base Code regarding Business Ethics, as observed during the audit.</p> |

Summary of findings

| Code area | Workplace requirement | Local law | Finding |
|-----------|-----------------------|-----------|-------------|
| | | | No findings |

Systems and evidence examined to validate this code section

Current Systems:

- The facility adheres to a strict Business Ethics and Anti-Corruption/Anti-Bribery Policy and Procedure aligned with local and national laws to prevent bribery, corruption, and any form of fraudulent business practices. A designated individual, Mr. Sumon Kante Sinha-General Manager (HR & Compliance), oversees the implementation and maintenance of these business ethics standards, ensuring compliance with relevant legislation.
- A risk assessment has been conducted to identify potential issues related to bribery, corruption, or fraudulent practices, and measures have been implemented to mitigate these risks.
- The facility's Business Ethics Policy addresses bribery, corruption, and other unethical practices, and it is communicated to all high-risk parties, including the site's suppliers.
- Appropriate business ethics training is provided to employees in roles with increased exposure to risks, such as sales, purchasing, and logistics. Training sessions are conducted regularly, and compliance is monitored through audits to maintain the integrity of business practices.
- A transparent and accessible mechanism has been developed and implemented for confidential and anonymous reporting of any unethical practices. Reports are monitored and investigated without fear of retaliation for the reporter.
- The facility manages personal data responsibly, obtaining the appropriate consents and ensuring compliance with relevant legislative requirements.
- Where applicable, the facility can demonstrate that it holds the necessary licenses and permissions related to the ownership or leasing of the land on which it operates.

Evidence Examined:

- Document review (policies, procedures, training records, etc.).
- Factory tour.
- Management interview.
- Employee interview.

10.C. Business ethics

Data points

| | |
|---|------|
| Has the site received an official notice, fine or prosecution for any non-compliances with business ethics legislation, regulation, consent or permits (within the last three years)? | No |
| Provide any certified anti-bribery management systems for the site | None |

Attachments



[Sprinkler.jpg](#)



[Stenter Section.jpg](#)



[Worker's Dining Area.jpg](#)



[Yarn Store.jpg](#)



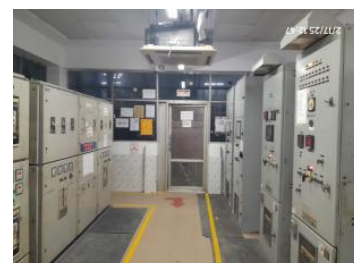
[Wastage Store.jpg](#)



[Toilet Area.jpg](#)



[Sewing Section.jpg](#)



[Sub Station.jpg](#)



[STP Area.jpg](#)



[Water Treatment Plant.jpg](#)



[Security Post.jpg](#)



[Rooftop.jpg](#)



[Screen Printing Store.jpg](#)



[Risk Assesment Posted.jpg](#)



[PA System.jpg](#)



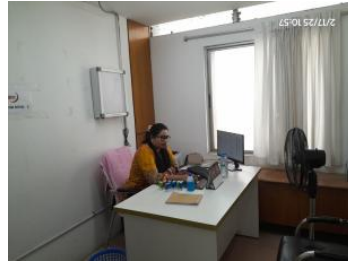
[Packing Section.jpg](#)



[Notice Board.jpg](#)



[No Smoking Sign.jpg](#)



[Medical Room.jpg](#)



[MSDS Posted.jpg](#)



[Machine Safety Guard Installed.jpg](#)



[Printing Section.jpg](#)



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[Fire Alarm Switch.jpg](#)



[Fire Alarm Sounder.jpg](#)



[Finished Goods Store.jpg](#)



[Factory Name.jpg](#)



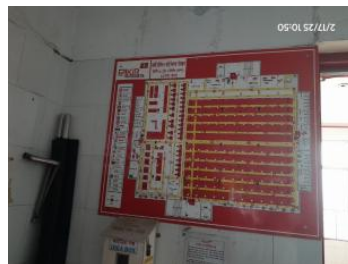
[Factory Building.jpg](#)



[Eye Wash Station.jpg](#)



[Exhaust Fan.jpg](#)



[Evacuation Plan Posted.jpg](#)



[ETP Area.jpg](#)



[Emergency Light.jpg](#)



[Empty Carton Store.jpg](#)



[Emergency Contact Number.jpg](#)



[Factory Main Gate.jpg](#)



[Embroidery Section.jpg](#)



[Dyeing Washing Section.jpg](#)



[Dyeing Section.jpg](#)



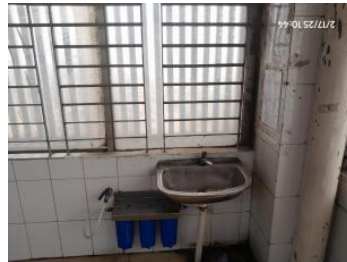
[Dyeing Finishing Section.jpg](#)



[Danger Sign.jpg](#)



[Dyeing Batch Area.jpg](#)



[Drinking Water Station.jpg](#)



[Cutting Section.jpg](#)



[Cooling Tower Room.jpg](#)



[Compressor.jpg](#)



[Childcare Room.jpg](#)



[Chemical Store.jpg](#)



[Complain Box.jpg](#)



[Canteen.jpg](#)



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[Assembly Point.jpg](#)



[Attendance Machine.jpg](#)



[Worker's Locker.jpg](#)



[Acid Store.jpg](#)



[Accessories Store.jpg](#)



[Worker Used PPE.jpg](#)



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