



# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC423411649	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS423411651	
Business name (Company name):	DESWAL SOURCING SOLUTIONS PVT LTD			
Site name:	DESWAL SOURCING SOLUTIONS PVT LTD			
Site address:	PLOT NO. 679 UDYOG VIHAR PHASE 5 GURUGRAM 122016 IN	Country:	IN	
Site contact and job title:	Mr. Shyam Prasad / Head HR			
Site phone:	+919650271814	Site e-mail:	hr@dssb.co.in	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar	<input type="checkbox"/> Business Ethics
Date of Audit:	2023-08-01			

Audit Company Name:
TUV NORD CERT GmbH

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

## Audit Content:

**(1)** A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

**(2)** The audit scope was against the following reference documents

### **2-Pillar SMETA Audit**

- ETI Base Code
- SMETA Additions
  - Universal rights covering UNGP
  - Management systems and code implementation,
  - Responsible Recruitment
  - Entitlement to Work & Immigration,
  - Sub-Contracting and Home working,

### **4-Pillar SMETA**

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

**(3)** Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

**(4)** Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

## SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Auditor Team			
Lead Auditor:	Munish Joshi	APSCA Number:	21704129
Additional Auditors:			
Date of declaration:	2023-08-01		

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

Site Representation	
Full Name:	Mr. Shyam Prasad
Title:	Head HR
Date of declaration:	2023-08-01
<b>Comments:</b> <i>Any exceptions to this must be recorded here (e.g. different sample size):  Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).  The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i>	

## Summary of Findings

Issue <small>(please click on the issue title to go direct to the appropriate audit results by clause)</small>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
<u>0A - Universal rights covering UNGP</u>			0	0	0	
<u>0B - Management systems and code implementation</u>			0	0	0	
<u>1 - Freely chosen employment</u>			0	0	0	
<u>2 - Freedom of association and right to collective bargaining are respected</u>			0	0	0	
<u>3 - Working conditions are safe and hygienic</u>	3.1 3.2 3.4	§1	3	0	0	NC - ZAF600131276 NC - ZAF600131277 NC - ZAF600131278
<u>4 - Child labour shall not be used</u>			0	0	0	
<u>5 - Living wages are paid</u>			0	0	0	
<u>6 - Working hours are not excessive</u>			0	0	0	
<u>7 - No discrimination is practiced</u>			0	0	0	
<u>8 - Regular employment is provided</u>	8.7		1	0	0	NC - ZAF600131279
<u>8A - Subcontracting and homeworking</u>			0	0	0	
<u>9 - No harsh or inhumane treatment is allowed</u>			0	0	0	
<u>10A - Entitlement to work and immigration</u>			0	0	0	
<u>10B2 - Environment 2-pillar</u>			0	0	0	
<u>10B4 - Environment 4-pillar</u>			0	0	0	
<u>10C - Business ethics 4-pillar</u>			0	0	0	

## Local Law Issues

Issue	Description
§1	Factory to provide the child care facility as per Maternity Benefit Amendment Act, 2017.

## Site Details

Site Details			
Company Name	DESWAL SOURCING SOLUTIONS PVT LTD		
Site Name	DESWAL SOURCING SOLUTIONS PVT LTD		
GPS location (if available)	GPS Address:	NA	
	Coordinates:	N 28 30 15, E 77 5 3	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Factory license: for 150 persons valid till 31.12.2023. Fire NOC: 02.01.2023 valid for three years. Building stability certificate: 18.02.2023 for five years. Pollution consent: exempted, confirmation by Haryana State Pollution Control Board verified.		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Readymade garments		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	Total number of employees were 95 (M-78, F-17) including management and workers. The total land area of the facility is 6539 square meter and covered area is 5550 square meters. The factory is having Basement, Ground and First Floors.		
Structure and number of buildings	Building Name:	1	
	Floor	Description	Remark
	1	Basement	Stores
	2	Ground floor	Production
	3	First floor	Production
Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No cracks were observed		
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Building stability certificate by chartered engineer dated 18.02.2023.		
Site function	<div> <input type="checkbox"/> Agent           <input type="checkbox"/> Factory Processing/Manufacturer         </div> <div> <input checked="" type="checkbox"/> Finished Product Supplier           <input type="checkbox"/> Grower         </div> <div> <input type="checkbox"/> Homeworker           <input type="checkbox"/> Labour Provider         </div> <div> <input type="checkbox"/> Pack house           <input type="checkbox"/> Primary Producer         </div> <div> <input type="checkbox"/> Service Provider           <input type="checkbox"/> Sub-contractor         </div>		
Months of peak season	January to August		
Process overview	Cutting, Stitching, Packing & Dispatch		
What form of worker representation is there on site?	<input type="checkbox"/> Union <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input type="checkbox"/> None		
Please give details:	Works committee was in place with WRs elected, regular meetings records were available.		

Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Accommodation buildings not provided by auditee.



Audit Parameters			
Time in and time out	Day 1		
	In	09:00	
	Out	18:00	
Audit type:	FULL_INITIAL		
Was the audit announced?	ANNOUNCED		
Was the Sedex SAQ available for review?	Yes		
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No		
Who signed and agreed CAPR	Mr. Shyam Prasad / Head HR		
Is further information available	No		



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

## Worker Analysis

The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – male	65	0	0	0	0	0	0	65
Worker numbers – female	9	0	0	0	0	0	0	9
Total	74	0	0	0	0	0	0	74
Number of Workers interviewed – male	9	0	0	0	0	0	0	9
Number of Workers interviewed – female	1	0	0	0	0	0	0	1
Total – interviewed sample size	10	0	0	0	0	0	0	10

Nationalities Structure		
Nationality of Management	Indian	
Please list the nationalities of all workers, with the three most common nationalities listed first.	Nationality 1: INDIAN	approx %: 100%
Was this list completed during peak season?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:	
Worker remuneration	Workers on piece rate:	0%
	Paid hourly:	0%
	Salaried:	100%
Payment cycle	Paid daily:	0%
	Paid weekly:	0%
	Paid monthly:	100%
	Other:	0%
	Details for other:	None

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	1
Number of individual interviews:	Male: 6 Female: 0
All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	None
What did the workers like the most about working at this site?	Based on employee's interaction, it was observed that all of them were favourable with the management and facility environment.
Any additional comment(s) regarding interviews:	None
Attitude of workers to hours worked:	Positive, no overtime practiced as of now. Over time is voluntary. Wages are paid at double wages, if OT done.
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

## Attitude of workers:

A total of 10 employees were interviewed and same numbers of records were reviewed. All workers said they were satisfied with their employment at the factory and that they were satisfied with the current wages which in their view were in line with wages in the locality. They felt free to leave this employer and understood the notice period required. They had good relationships with their supervisors and managers who treated them with respect.

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

Members from worker committee looked very positive towards the management and no negative information reported.

## Attitude of managers:

The facility management showed a positive attitude towards this audit during the whole audit process. All documentation requested for review were provided timely. At the end of the audit, all the non-compliances were accepted by the facility and further the facility management stated that they will take corrective actions on the non-compliances noted during the audit.

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

**0A: Compliance Requirements**

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

**Current Systems and Evidence Examined**

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

**Current Systems:**

Policy on human rights: 02.01.2023 was verified. The same had been communicated to all stakeholders including suppliers.

Mr. Shyam Prasad - Head HR is responsible for implementing SEDEX requirements including Human rights concerns.

Auditee did stakeholders mapping which includes suppliers, buyers, employees etc.

The issues related to stakeholders were recorded in the mapping.

The auditee maps the stakeholders as related to human rights issues if any.

The auditee established the procedure, 02.01.2023 detailing confidentially towards reporter of human rights violations.

Facility has measured their direct, indirect and potential impacts on stakeholders i.e., suppliers (right holders) human rights through assessments/internal audits.

**Evidence examined:**

Interaction with management and employees.

Stakeholders list and mapping

All policies including human right element – 02.01.2023

Appointment letter of Mr. Shyam for SEDEX MR dated 02.01.2023

Procedure, 02.01.2023 detailing confidentially towards reporter of human rights violations.

**Any other comments:**

NA

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

Policy Manual dated 02.01.2023

Are the policies included in workers' manuals?

☒ Yes ☐ No

Please give details:

Policy Manual dated 02.01.2023

Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Shyama - Head HR
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Works Committee representatives. 2.Open Door Policy 3.Grievance Committee representatives 4.Suggestion Box 5.Prevention of Sexual Harassment Committee representatives. Minutes of grievance committee meetings verified The procedure / policy includes confidentiality reporting for members. The method includes complaint / suggestion boxes.
Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Auditee had established it's procedure for data privacy dated 02.01.2023, accordingly Data of personnel (like Appointment letter, wage history, Training records, ESI / PF declaration forms, Nomination, Self-Declaration) maintained in personal files. The access to personal files is limited to HR only.
<b>Measuring Workplace Impact</b>	
Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover))	Last year 2.0% This year 2.0%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	1.0%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 2.0% This year 1.0%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	1.0%



Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Accident register was maintained. Facility had maintained Form-26 & 26A, however no accidents were occurred till date.	
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%	
Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year	0.0%
	This year	0.0%
% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

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

**0B: Compliance Requirements**

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.  
0.B.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.  
0.B.3 Suppliers are expected to communicate this Code to all employees.  
0.B.4 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.  
0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

**Current Systems and Evidence Examined**

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

**Current Systems:**

- 1.Mr. Shyam– Head HR was responsible for implementation of all the social compliance activities in the facility. His appointment was done on 02.01.2023 for SMETA.
- 2.All licenses were available as required by law, please refer Site Details (D)of this report for all license's details.
- 3.Communication of SEDEX ETI was done through displaying of the same on notice board and through trainings.
- 4.Facility has communicated and provided training on ETI Code of Conduct requirement to their all suppliers.  
•Facility have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title. The auditee has been associated with consultant, legal department newsletters subscriptions to keep updated.
- 5.Auditee communicated the SEDEX COC to all of it's suppliers including service providers.

**Evidence examined:**

Interview with Mr. Shayam demonstrated that he is responsible for compliances in the factory. Internal audit conducted on 02.06.2023, procedure, 02.01.2023 and it is covering all elements. ETI base code training covering all requirements provided to all employees including management staffs on 02.06.2023; Human rights Policy on 02.06.2023; Social benefits on 02.06.2023 Total Suppliers: 11, Risk assessment for suppliers: 02.01.2023, Verified audit plan and reports.

**Any other comments:**

NA

**Management Systems**

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

☐ Yes ☒ No

Please give details:

The Facility has not been subject to any fines in last 12 months.

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

☒ Yes ☐ No

Please give details:

Facility has maintained policy and procedure to reduce the risk of forced labour, Child labour, discrimination, harassment & abuse.  
Last reviewed on 02.01.2023

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

These policies are displayed at notice board and communicated to all employees. The demonstration of SEDEX requirements through these policies confirmed that the implementation was effective.

Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: ETI base code training covering all requirements provided to all employees including management staffs on 02.06.2023
If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Trainings are effective and interviewed workers were able to demonstrate their understanding.
Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Is there a Human Resources manager/department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Mr. Shayam - Head HR
Is there a senior person /manager responsible for implementation of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Shayam - Head HR
Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policy and procedure dated 02.01.2023 is in place.
Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policy and procedure dated 02.01.2023 is in place.
Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has established potential risk analysis system with necessary corrective actions to reduce these evaluated risks.
Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has a process to address issues found when conducting risk assessments during periodic management meetings.
Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has drafted code of conducts of labour standards for its own suppliers. Last reviewed on 02.01.2023.
<b>Land Rights</b>	

Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has obtained occupancy certificate and registry documents as required by law.
Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site has a separate legal department in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title.
Does the site have a written policy and procedures specific to land rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policy dated 02.01.2023
Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There was no such compensation done.
Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA as land was purchased directly from state government.
Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA as land was purchased directly from state government.

### 1 - Freely chosen Employment [Summary of Findings]

- 1: Compliance Requirements  
1.1 There is no forced, bonded or involuntary prison labour.  
1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

### Current Systems and Evidence Examined

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

#### Current Systems:

Based from interaction with employees, management and review of records,  
1.The policy dated 02.01.2023 for recruitment was verified, the procedure of the same details about the recruitment process. Employees are recruited through a personal interview.  
2.Employees are not required to lodge any deposits or identity papers with the facility before or after joining the services.  
3.The facility does not require monetary deposit or deposition of employee's original ID card such as a condition of employment.  
4.Employees are free to leave at the end of their shift and there are no overtime hours done in the facility.  
5.The facility does not restrict the employee's freedom of movement.

#### Evidence examined:

Forced/Bonded Labor Policy, reviewed on 02.01.2023 is in place.  
The scope is applicable to all employees of the organization. Loans are not provided to employees. Photocopies of age proof and address proof documents are stored on file. No original certificate or ID proof was in file.

#### Any other comments:

NA

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: NA

Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: Workers' from lowest cadre such as helpers, peons etc are on risks of bonded labour, however no such case was observed.
Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility does not involve on any forced / trafficked labour.

## 2 - Freedom of Association and Right to Collective Bargaining are Respected

### [Summary of Findings]

#### 2: Compliance Requirements

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

### Current Systems and Evidence Examined

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

#### Current Systems:

Based from the review of company policies, interaction with facility management and employees and tour of the facility, it was noted that:

- The policy on FOA – 02.01.2023 was verified which details about the management commitment to encourage and respects all employees' rights to join union freely.
- Workers' may join / form union and there is no restriction from management.
- Facility has formed Works committee through election process. Meeting is held once in three months.
- No discrimination policy 02.01.2023 confirm that no one would be discriminated of any form in case form / join union.
- Facility has also established grievance committee, Meeting is held once in three months.

#### Evidence examined:

Suggestion Box log book

- Open door policy.
  - Interaction with Management and Interview with employees.
- Minutes of Meeting of works committee 14.06.2023, 23.03.2023
- Works committee election process and election documents 01.04.2023, Frequency yearly, voting system followed.
- Minutes of Meeting of Grievance committee 14.06.2023, 23.03.2023.

#### Any other comments:

NA

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)

- ☐ Union ☒ Worker Committee
- ☐ Other ☐ None

Other details:

Works Committee, Grievance Handling Committee, Internal Complaint Committee

Is it a legal requirement to have a union?

- ☐ Yes ☒ No

Is it a legal requirement to have a worker's committee?

- ☐ Yes ☒ No



Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has provided Grievance committee, and provided suggestion box where employees are free to express their problems / suggestions / complaints for any grievances. While interviewing, all employees reported that they are free to approach the management for any problem. Facility has also formed and Sexual Harassment Prevention Committee as an effective worker communication channel.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on the employees' interaction, it was observed that, works committee representatives are free to carry out their functions and meetings on periodic basis and the records for the same were maintained.
Name of union and union representative, if applicable:	NA
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable
If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committee was in place and regular meetings were held. Records of the same were verified.
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During worker interview it was noted that all sampled workers are aware about their representative
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2023-01-02
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	4.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Facility had conducted works committee meetings. Last meeting was done on 21.06.2023. Major topics covered were about sheds for parking for workers.
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

#### 3: Compliance Requirements

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

### Current Systems and Evidence Examined

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

#### Current Systems:

##### General Health & Fire Safety

- 1.Mr. Shayam is responsible to ensure a healthy and safe work environment in the facility.
- 2.H&S Policy Dated – Dated 02.01.2023 signed by MD
- 3.Evacuation is displayed in plant on each floor.
- 4.Facility has provided training to 06 employees in rendering first aid treatment through M/s St. John Ambulance and certificates valid till 3 years.
- 5.Facility has provided clean and potable drinking water (03 drinking water points with water coolers) to all their employees free of cost.
- 6.Facility has provided accessible and functional (fire extinguishers, Sand Buckets, Hooter with fire alarm call points, Emergency Lights & Fire Buckets). Further based from the review of fire extinguisher service records, facility conducts inspection for the fire extinguisher on monthly basis internally and externally once in a year.
- 7.Facility has provided firefighting training from external agency
- 8.Facility has provided appropriate and relevant personal protective equipment like hand gloves, and safety masks at free of cost to the employees.
- 9.Facility has conducted mock drills on monthly basis intervals.
- 10.Facility has obtained Fire NOC, stability, approved lay out plan.
11. However, records show no accidents since last 11 Months.
- 12.Facility has conducted the medical examination of all production, Security, Food Handlers and maintenance employees verified.
- 13.Facility has formed Health and Safety Committee as required legally which consists of 4 members equally elected from workers and staff side.
- 14.Facility has tied up with nearest hospital Sarvodaya hospital Sec 08 which is located at a distance of 5 Kms from facility to forward any emergencies or accidents.
- 15.Facility has covered all employees under ESIC scheme to provide medical benefits to them.
- 16.Facility has conducted Health and Safety periodic training for all employees in separate batches. Total participants were 11.

##### Electrical safety

- 1.All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.
- 2.Facility has hired competent electricians onsite.

#### Evidence examined:

Refer Social Risk assessment – Last review 02.01.2023.  
HIRA – 02.01.2023  
Aspect Impact analysis – 02.12.2023.  
Minutes of committees (works, H&S, Grievance, ICC) verified for Last meeting done on dated 02.06.2023, ICC Meeting done on 02.06.2023.  
First aiders – First Aiders and training records - Total 07, Certificate verified of Me Ankit and Deepak Kumar from Red Cross.  
Fire Drill frequency monthly – last done on 17 July 2023.  
Policy of Environment and H&S Displayed at notice board.  
Verified Report of Monitoring – Work Zone Noise, Air and DG Noise and stack monitoring Report Dated 06.06.2023 Evident from SIMA Lab  
Drinking water points -03,  
Drinking water test report evident 06.06.2023 frequency yearly.

Any other comments:

NA

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Facility had established general Health & Safety, occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers during induction training.
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Facility had included the social compliance policies in company code of ethics which found displayed at notice Board.
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: During review of records and facility tour it was noted that, facility has obtained stability certificate.
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Facility has displayed the H & S instructions on the notice board for the visitors and employees. Also all visitors are given masks before entering to office.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details: Legally not required. First aid boxes were available.
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details: Facility has trained First aid Persons and provided sufficient First Aid Boxes in the facility. Further Facility has tied up with nearest Hospital to forward any emergencies or accidents.

Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Facility did not provide transport facilities to the workers
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Space provided to place belongings.
Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has conducted risk assessment. Facility has also ensured that appropriate corrective and preventive actions are defined. Further the action date and responsible person is identified while performing the said assessment. Risk assessment also includes COVID-19 spread risks and associated precautions.
Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Air and Water consents were not applicable.
Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on the interaction with facility management it was noted that they does not use any banned chemical.

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

##### 4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

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

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

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

#### Current Systems and Evidence Examined

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

##### Current Systems:

1.No child Labor Policy, 02.01.2023 was verified. The same was displayed at main gate in Hindi.

2.Recruitment procedure 02.01.2023 also confirmed to not hire child labor.

3.The child remediation procedure dated 02.01.2023 was available and detailed to address the steps to be taken in case child labor found working in the facility.

4.Facility has maintained valid age proof documents in the form of Voter Id Card, Pan Card, Aadhar Card.

##### Evidence examined:

Company's Recruitment Policy, reviewed on 02.01.2023

- Employees Personnel Files – total 10 were verified.

- Age proof records – Voter Id Card, Pan Card, Aadhar Card & School Leaving Certificate

##### Any other comments:

NA

Legal age of employment:	14
Age of youngest worker found:	23
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA

## 5 - Living Wages are Paid [Summary of Findings]

### 5: Compliance Requirements

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

## Current Systems and Evidence Examined

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

### Current Systems:

It was noted from review of wage records and interaction with employees and management that:

- 1.All eligible employees are covered under Provident Fund and ESIC.
- 2.No fines / illegal deductions are made from the wages of the employees as disciplinary measures.
- 3.All employees are paid on or before 07th of every month.
- 4.All employees are provided with clear, written and understandable pay stub in local language.
- 5.All 10 out of 10 sampled employees were paid more than the legal minimum wage.
- 6.Facility has paid bonus @ 8.33% with calculation ceiling at INR 7000/- pm or minimum wages whichever is higher to all applicable employees on yearly basis.
- 7.Facility has also extended Leave with benefits to all employees as per the legal requirement.
- 8.Facility has maintained Full and Final payment records of all employees who had left the facility in last 12 months.
- 9.Facility has maintained contribution records of PF and ESIC for all employees for last 12 months and same were available for review.
- 10.Facility has posted minimum wages at facility entrance.

### Evidence examined:

- 10 employees were interviewed and the same numbers of records were reviewed for the months of August 2022, December,2022 & June-2023
- Auditee pays minimum of INR 9910 as minimum as per minimum wages notification from state government. There is no industry specific wages.
- Latest legal minimum wages notification issued by state government •8.33%, Paid through bank transfer, 26.10.2022
- List of National and Festival Holidays.
- Leave with wage records.
- Interaction with management and Employees.

### Any other comments:

NA

## Summary Information

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

Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 2.0 Per Week: 12.0 Per Month: null	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 0.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 10532.84 Per Week: null Per Month: null	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 10533.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: null	Actual Per Day: 0.0 Per Week: 0.0 Per Month: 0.0	NO
<b>Wages Analysis:</b>			
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	10 employees were interviewed and the same numbers of records were reviewed.		
Are there different legal minimum wage grades? If Yes, please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No unskilled 10532.84 semiskilled (A) 11059.44 semiskilled (B) 11612.4 skilled (A) 12193.03 skilled (B) 12802.69 highly skilled 13442.84		
If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details:		
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above		
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	10533 per month		
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage		
Bonus Scheme found: Please specify details:	Bonus Scheme found: Bonus Scheme found: Bonus benefit has been extended to the eligible company employees Employees who received the Bonus had confirmed that it was paid during Diwali at the rate of 8.33% of their annual basic salary. It's being paid on annual basis to all eligible employees. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc. Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.		
What deductions are required by law e.g. social insurance? Please state all types:	1. Provident Fund 2. Employee State Insurance		
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Please list all deductions that have been made.	1. Provident Fund 2. Employee State Insurance		

Please list all deductions that have not been made.	NA
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Attendance sheets were verified for 10 sampled works and found adequate for working hours and were paid accordingly.
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details:
Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: State Government revise the minimum wages in every six months i.e., April and September months and the same are paid to the employees accordingly.
Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: It was noted during worker interaction that all workers with same skill are paid the same wages and no discrimination noted. Same wages are paid to females as per their male counterparts.
How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other

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

### 6: Compliance Requirements

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:

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

## Current Systems and Evidence Examined

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

### Current Systems:

Based from the In/Out time records, interaction with the employees and management,

1. There is no compulsion on overtime work. It is purely voluntary.

2. The employees work for 6 days a week in three shifts. The normal working hours are as follows : Week days –

Monday to Saturday

Weekly off – Sunday

Working shift – 0900-1800

Lunch break – One hour

Facility has swipe card attendance system for all employees. Based on the available wage and time records employees' wages are calculated on monthly basis and paid on or before 07th of next month to all company employees.

### Evidence examined:

Working Hours policy 02.01.2023

• Samples verified for 10 employees for the month of June 2023 and December 2022 and August 2022 Samples of workers such as production personnel, Security verified. Working hours records

### Any other comments:

NA

## Working hours' analysis

### Systems & Processes

What timekeeping systems are used?

Facility swipe card attendance system for all employees.

Is sample size same as in wages section?

☒ Yes ☐ No

Please give details:

Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)

☒ Yes ☐ No

Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	<input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain)
Is this allowed by local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maximum number of days worked without a day off (in sample):	6
<b>Standard/Contracted Hours worked</b>	
Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency:
Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Overtime Hours worked</b>	
Actual overtime hours worked in sample (State per day/week/month)	Nil
Combined hours (standard or contracted + overtime hours = total) over 60 found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Approximate percentage of total workers on highest overtime hours:	0.0%
Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: The appointment letters given to workers' detailed about overtime to be voluntary and not forcefully. However there was no case of overtime as of now.
<b>Overtime premium</b>	
Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: As of now auditee is not into overtime practice, however the policy for the same is in place to pay in double.
Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No As of now auditee is not into overtime practice, however the policy for the same is in place to pay in double.

<p>If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p><input checked="" type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements</p> <p><input type="checkbox"/> Other</p>
<p>Please give details</p>	<p>As per local law and auditee's policy, overtime to be paid in double. However there was no OT practiced by auditee.</p>
<p>If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)</p>	<p><input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances <input checked="" type="checkbox"/> Other reasons (please specify)</p>
<p>Please give details</p>	<p>No such case found.</p>
<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other</p>	<p>NA</p>
<p>Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>



## 7 - No Discrimination is Practiced [Summary of Findings]

### 7: Compliance Requirements

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

### Current Systems and Evidence Examined

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

#### Current Systems:

It was noted from review of wage records and employees' interview that,  
1.Facility does not discriminate its employees in terms of hiring, compensation, access to training, promotion, termination or retirement on the basis of caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation or any others thereof which could lead to discrimination.  
2.It was noted from wage records review; the facility provides the same pay for employees performing work of similar nature.

#### Evidence examined:

Anti-discrimination policy 02.01.2023  
•The hiring and termination procedure, leave application records.

#### Any other comments:

NA

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 78.0%	Female: 22.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	2	
Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	NA	
Professional Development		
What type of training and development are available for workers?	On job trainings, social trainings, workers' rights and responsibilities, fire safety, COVID-19 precautions, H & S etc.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

## 8 - Regular Employment Is Provided

### [Summary of Findings]

#### 8: Compliance Requirements

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

## Current Systems and Evidence Examined

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

### Current Systems:

1. Facility did not employ any temporary employees. Recruitment Policy: 02.01.2023

2. No apprentices or trainees were employed in the facility.

3. The facility does not avoid paying any benefits to the employees which they are legally entitled to. 4. Facility does not follow and believe in fixed term employment.

### Evidence examined:

Recruitment Policy: 02.01.2023

10 personnel records reviewed, samples selected including Production workers

Personal file is maintained for all employees. Data of personnel (like wage history, Training records, ESI / PF, Nomination, Self-Declaration) are maintained in personal files.

### Any other comments:

NA

## Responsible Recruitment

### All Workers

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

☒ Terms & Conditions presented ☒ Understood by workers  
☒ Same as actual conditions

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

☐ Yes ☒ No

### Migrant Workers

Type of work undertaken by migrant workers:

Facility does not have any migrant worker as of now.

Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Is there any observation on this finding?	NA
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Non-employee workers</b>	
<b>Recruitment Fees</b>	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</b>	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	NA
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There is no agency contract.
<b>Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.)</b>	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There is no agency contract.
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: There is no agency contract.

Non-Compliance		Evidence																																	
<a href="#">[Back to findings summary]</a>																																			
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**8A - Sub-Contracting and Homeworking**  
**[Summary of Findings]**

**8A: Compliance Requirements**

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

At present, no subcontractor and home workers are used. All production processes are done in-house.

**Evidence examined:**

In and out register at main gate was verified for material movement for home working and subcontractors, no such activity was found.

**Any other comments:**

NA

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

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

**Summary of homeworking – if applicable**

Is homeworking used at this site? ☐ Yes ☒ No

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

**9: Compliance Requirements**

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

1.The policy on disciplinary actions – 02.01.2023 confirmed that the auditee was not in to harsh or inhumane treatment of employees.

2.All employees are treated with respect and dignity.

3.Facility's has formed the disciplinary policies and all employees are aware about their rights.

4.No evidence of physical abuse, sexual or any other harassment / verbal abuse is observed / reported.

**Evidence examined:**

As per the management, Grievance redressal system indicates workers can report the grievance anonymously. Grievance committee meeting minutes dated 06.06.2023, 15.03.2023 to resolve complaints. Minutes of meeting is maintained but no suggestions or complaints received. Suggestion box installed, all workers have freedom to express their suggestions.

**Any other comments:**

NA

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Please give details:  Facility has provided suggestion box / complaints box, where employees are free to express their problems / suggestions / complaints for any grievances. While interviewing, all employees reported that they are free to approach the management for any problem. Further facility has established Internal Complaint Committee where employees can raise their concerns.
If yes, are workers aware of these channels and have access? Please give details.	Facility's Internal Complaint Committee representative will communicate the details to their employees in their respective section and workers are aware of these channels and have access to the same.
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Open Door Policy- Direct communication during meeting. Suggestion Box
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	Grievance committee and suggestion boxes.
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Please give details:

Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

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

**10A: Compliance Requirements**

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

10.A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

**Current Systems and Evidence Examined**

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

**Current Systems:**

Only workers with a legal right to work are employed or used by the factory.

There are no agency staffs, employment agencies and immigration workers in the factory. Country's legal system does not permit outside workers to be employed without permit.

**Evidence examined:**

Recruitment policies/ Procedure 02.01.2023

**Any other comments:**

NA



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

**10B2: Compliance Requirements**

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

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

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

**Current Systems and Evidence Examined**

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

**Current Systems:**

Environmental license: Exempted as there is no process related to pollution, company is under white category. Environmental policy defined and displayed – EOHS Policy dated 02.01.2023 signed by MD. . Aspect and impact analysis done and regularly monitored verified dated 02.01.2023 Targets related to control environment targets established and monitored.





**Evidence examined:**

Exemption notification from Haryana Pollution Control Board- letter number – EOHS Policy dated 02.01.2023 signed by MD.

**Any other comments:**

NA

## Attachments

 <p><u>SMETA_ZAA600018825.pdf</u></p>	 <p><u>Photo Frame.pdf</u></p>
 <p><u>Signed CAPR_ZAA600018825.pdf</u></p>	 <p><u>CAPR_ZAA600018825.pdf</u></p>



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

**[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY\\_2brg\\_3d\\_3d](https://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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