

Social Audit Report

January 2009

BSCI 7-01/09

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FTA – Foreign Trade Association, Brussels – gsm Global Sustainable Management GmbH, Cologne – Migros-Genossenschafts-Bund, Zürich – Sustain Consulting GmbH, Hamburg

Social Audit Report

Factory Name:	Masood Textile Mills Limited (Peacock Unit)		
Factory Address:	Nishatabad, Faisalabad		
Management Representative:	Mr. Nasir Mahmood		
Audit Results for BSCI Social Requirements Part B:	Good ¹ <input checked="" type="checkbox"/>	Improvement Needed <input type="checkbox"/>	Non-compliant <input type="checkbox"/>
Audit Results for Best Practice for Industry Part C:	Good <input type="checkbox"/>	Improvement Needed <input checked="" type="checkbox"/>	
Audit initiated by:	BSCI Member : <input type="checkbox"/>	Supplier: <input checked="" type="checkbox"/>	
Auditing Company Name:	SGS Pakistan Pvt Limited		
Audit report number:	02		
DBID number:	16254		
Lead Auditor's name and SAAS certificate number:	Selman Rashid Iqbal		
Auditing Company Address:	7 Din Muhammad Town, 19 k.m. Off Multan Road, Lahore, Pakistan		
Audit Date:	2 nd June 2012		
Date of the new BSCI to be started: (3 years from the initial audit)	June 2015		
Number of Initial audits performed at this facility (Cycle number 1, 2, 3..):	01		
Agreed date for closing the CAP (if applicable):	August 2012		
Date, Signature & Stamp:	4 th June 2012		

¹ Due to the sampling nature of the auditing exercise, absence of findings during an assessment does not assure the full compliance of the facility nor does it guarantee that violations may not appear in the future. BSCI and the auditing company do not accept responsibility for conditions at other locations that may be used in the supply chain of the relevant product or service since this report covers the production site listed under "audited company" only.

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Lead-Auditor	Selman Rahid Iqbal	Additional Auditor	Muhammad Aamir Rauf Shahid Ansari
Audit Date	2 nd June 2012	Number of man days applied	3.5

A. Master Data – For full details on the business structure of the company, see complete Master Data in the Audit Questionnaire.

Location of audited Company		Basic Data	
Name of Company	Masood Textile Mills Limited (Peacock Unit)	Year of foundation	1995
http://www.	Nishatabad	Legal status	Pvt Ltd
Street		Language(s) spoken in company	URDU, PUNJABI.
City	Faislabad	Total production capacity per month	11 Million Garments
Zip Code	38000	Contact Person	
Country	PAKISTAN	Name	Mr. Nasir Mahmood
Phone	+92-41-8787931~4	Position / Language	Sr. Manager HR & Compliance
Fax	+92-41-8781361	Phone	0300-8664495
DBID Number	16254	E-mail	nasirmahmood@masoodtextile.com

Business Activities			
Clothing:	<input checked="" type="checkbox"/>	Construction Material:	<input type="checkbox"/>
Electronic Groups:	<input type="checkbox"/>		
Eyewear (Glasses):	<input type="checkbox"/>	Furniture:	<input type="checkbox"/>
Leather Goods (except shoes):	<input type="checkbox"/>		
Machinery:	<input type="checkbox"/>	Other hard goods:	<input type="checkbox"/>
Shoes:	<input type="checkbox"/>		
Textiles:	<input type="checkbox"/>	Toys:	<input type="checkbox"/>
Textiles raw material or accessories	<input type="checkbox"/>		

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B. Audit Assessment Part B BSCI Mandatory Social Requirements

		Results			
		2	1	0	NA
B.1	Management Practice	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.2	Documentation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.3	Working Time	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.4	Compensation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.5	Child Labour / Young Employees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.6	Forced Labour / Prisoner Labour / Disciplinary Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.7	Freedom of Association / Collective Bargaining	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.8	Discrimination	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.9	Working Conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.10	Health and Social Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.11	Occupational Health and Safety	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.12	Dormitories	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
B.13	Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Total Result:	Good <input checked="" type="checkbox"/>	Improvements Needed <input type="checkbox"/>	Non-compliant <input type="checkbox"/>
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Remarks

An opening meeting was conducted with concerned personnel, starting with introduction of the participants and Auditor. Process of the audit was explained. Information and documents required were requested. The C.E. authorized the audit immediately. The auditor was accompanied throughout the walkthrough across the work floors. The auditor was allowed to conduct private interviews of the workers. A closing meeting was conducted with the concerned personnels to conclude and communicate audit results.

MANAGEMENT PRACTICE. Mr. Nasir Mehmood (Management Representative) is overall responsible to ensure that social requirements, regulatory requirements are fulfilled and are effectively implemented. Management was found aware of legal rights and there was communication. A system for ongoing communication on social requirements between management and staff has been established, and system in place for anti bribery / corruption for all business activities. Subcontractors were found engaged by the company but company. There is

Please fill in under results			
2 = Good	1 = Improvements Needed	0 = Non-compliant	NA = Not Applicable
No deviation from requirements or only minor deviations and full protection of employees is given	Deviations in the minority of requirements and no crucial points	Deviations in 50% or in the majority of requirements or/and in crucial points (double framed)	Requirements do not match to the company structure

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no system in place to identify risks for health & safety of the employees and prevent recurrence of work accidents.

DOCUMENTATION

Company has developed policies regarding child labor, female employees, discrimination, forced labor, working hours, compensation, working conditions, health & safety, freedom of association & collective bargaining.

Company maintains personal files for permanent staff members holding records of national ID card, photos, working agreement/ appointment letter, personal information form, etc. Company operates on a 8 working hrs single shift basis. Work and Break Timings were verified by workers during interviews.

There was a proper system to mark attendance and in-out timings of employees.

Employees receive monthly salaries, Records of monthly salary were checked.

Company work rules were found documented in the form of procedure. They are communicated to employees which was verified during worker interviews.

Company conducts periodical fire fighting and emergency evacuation drills. Company keeps the record of any injury or accident in register.

WORKING TIME:

Work time and overtime was found in compliance with the requirements. Regular work time extends on 8 hrs while break time is 1 hr. Employees accepted that they perform overtime at their own will.

COMPENSATION:

Minimum legal wage which is PKR 7000/ P.M was found met by the company; also verified through worker interviews. Wage are paid to employees in cash.

Employees are entitled to Health insurance and retirement benefit (through PESSI & EOBI schemes). Unemployment insurance is not required. Leave policy is available for staff members and employees are entitled to avail leaves according to the policy.

CHILD LABOUR :

Company discourages the employment of child workers. During walk through, no child and young worker was found. Company has developed and maintain a child remediation plan.

FORCED LABOUR / PRISONER LABOUR / DISCIPLINARY MEASURES

No evidence of any forced labor or disciplinary measures were found as learnt from floor supervisors and workers. Workers told that they are free to leave factory after work time, they did not face threat or pressure from security personnel, neither their original documents are retained by the company nor any monetary deposits are kept. In this regard Job description of security personnel were checked and verified.

FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING:

Interviewed employees told that the management does not restrict their rights to organize themselves in any way. A workers council/ committee found elected by the workers as a parallel means for Freedom of Association.

DISCRIMINATION:

The facility did not appear to have any discriminatory practice. This was verified by employee interviews and observing work practices at the facility in the area of promotion, remuneration etc. There were no deviations observed in benefits, compensation, hiring procedure, job assignment, retirement provisions, access to services etc. between employees with regard to age, caste, disability, ethnic or national origin, gender, membership in unions, political affiliation, race, religion, sexual orientation, social background or other personal characteristics. There was no concern observed or reported in the area of discrimination.

WORKING CONDITIONS:

The facility has well-lit work stations, and workers have clear visibility of work floors. There is adequate air circulation and workers were comfortable. Layout of the workshops and the factory was good. No concern was observed in the area of working conditions.

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HEALTH & SOCIAL FACILITIES / OCCUPATIONAL HEALTH & SAFETY

Overall conditions of health and social facilities found satisfactory. Following found available: Potable water (its testing report was available), adequate clean toilets and washing facilities, adequate fire extinguishers, first aid boxes, marked and accessible emergency exits in every section, warning signs/posters, emergency lights, etc. An Internal team of the company employees is also trained on fire fighting.

Overall electrical connections, installaltions, fittings, wiring were observed in good condition and maintained but area for cooking and eating was not available. Evacuation plan was displayd in departments.

ENVIRONMENT:

Emissions of generator were found tested to ensure that it meets the legal limits.

INTERVIEWS:

A walkthrough across the work floors was undertaken. More than 50 workers were selected for private interviews. Half of interviews were in the form of group focus interviews and half as one to one interviews. The workers were first told about the interview and the objectives thereof. All of the workers were made to feel comfortable and were assured of confidentiality.

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Audit Corrective Action Plan (CAP) Part B BSCI Mandatory Social Requirements		
	Findings and Necessary Improvements	Implementation Date
Management Practice	No discrepancies observed	N/A
Documentation	No discrepancies observed	N/A
Working Time	No discrepancies observed	N/A
Compensation	No discrepancies observed	N/A
Child Labour / Young Employees	No discrepancies observed	N/A
Forced Labour / Prisoner Labour / Disciplinary Measures	No discrepancies observed	N/A
Freedom of Association and Collective Bargaining	No discrepancies observed	N/A
Discrimination	No discrepancies observed	N/A
Working Conditions	No discrepancies observed	N/A
Health and Social Facilities	No discrepancies observed	N/A
Occupational Health and Safety	No discrepancies observed	N/A

Please fill in under results			
2 = Good	1 = Improvements Needed	0 = Non-compliant	NA = Not Applicable
No deviation from requirements or only minor deviations and full protection of employees is given	Deviations in the minority of requirements and no crucial points	Deviations in 50% or in the majority of requirements or/and in crucial points (double framed)	Requirements do not match to the company structure

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Dormitories	N/ A	N/A
Environment	No discrepancies observed	N/A

2nd June 2012

Date / signature / stamp Auditor

Signature / stamp Company

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No deviation from requirements or only minor deviations and full protection of employees is given	Deviations in the minority of requirements and no crucial points	Deviations in 50% or in the majority of requirements or/and in crucial points (double framed)	Requirements do not match to the company structure

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C. Audit Assessment Part C Best Practice for Industry - Voluntary implementation but auditing is mandatory

		Results		
		2	1	NA
C.1	Policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
C.2	Planning and Implementation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
C.3	Management Review	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
C.4	Control of Subcontractors / Suppliers / Sub-suppliers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
C.5	Control of Homeworkers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
C.6	Compensation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
C.7	Child Labour	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
C.8	Evasion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
C.9	Outside Communication	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Ripe for SA8000 Certification with regard to audit results B. and C.:

☒ **Yes** YES
☐ NO

Training and assistance necessary but SA8000 certifiable

☒ **Yes** YES
☐ NO

Remarks

Masood Textile Mills (Peacock Unit) has established and maintained a social management system but needs to address some of the mandatory requirements of SA 8000 along with some training and assistance to get SA 8000 certified.

Please fill in under results		
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No deviation from requirements	Deviation from requirements	Requirements do not match to the company structure

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Audit Corrective Action Plan (CAP) Part C Best Practice for Industry

	Findings and Necessary Improvements	Agreed		Implementation Date
		Yes	No	
Policy	No discrepancies observed	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Planning and Implementation	No discrepancies observed	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Management Review	No discrepancies observed	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Control of Suppliers / Subsuppliers	No discrepancies observed	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Control of Homeworkers	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Compensation	CAR : Company has not made calculation to determine basic need wage for personnel. CAP:Company Shall determine basic need wage for personnel.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	August 12
Child Labour	No discrepancies observed	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Evasion	No discrepancies observed	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Outside Communication	No discrepancies observed	<input type="checkbox"/>	<input type="checkbox"/>	N/A

2nd June 2012

Date / signature / stamp Auditor

Signature / stamp Company

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List of Audit Attachments

	Obligatory Attachments	Attached?
1.	Employees Interview Sheet	Yes
2	Photos: outside factory compound, production floor, canteen, dormitories, display of the code of conduct, nursery, etc.	Yes
3	Child Labour Record Sheet	n/a

	Required copies to be available as part of the audit pack, if no legal prohibition for collecting the record, according to local law.	Available with the audit files?
4	Collective Bargaining Agreement	N/A
5	Personnel File sample	Yes
6	Time Record sample	Yes
7	Payslip sample	Yes
8	Payment to Social Insurance Fund	Yes
9	Wage List sample	Yes
10	Maternity Leave sample	Yes
11	Work Rules	Yes
12	Documentation on Health and Safety Training	Yes
13	Documentation on Social Issues made by officials or other social audit	Yes
14	Agreement with a union or other worker representative	Yes
15	Authorization for exemptions from statutory regulations	N/A
16		
17		
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23		
24		

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