"Auditing for GOTS Social Compliance“

Presented by Dr. Binay Kumar Choudhury
What is social compliance?

Social compliance is a broad term that refers to how a business treats its employees with regards to health, safety, wages, and benefits. There are international and national protocols to regulate working environments. “Compliance” means that the company follows these social regulations appropriately.

What are the consequences of noncompliance?

1. Backlash from customers
2. Loss of business relationships
3. Production delays
4. Customs seizure
<table>
<thead>
<tr>
<th>AUDIT QUESTION</th>
<th>EMEA</th>
<th>FAR EAST</th>
<th>SOUTH ASIA</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td><strong>SEE MORE</strong> CHILD LABOUR</td>
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<tr>
<td>TOTAL COMPLIANCE</td>
<td>100%</td>
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<tr>
<td><strong>SEE MORE</strong> YOUNG WORKERS' REQUIREMENTS</td>
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<tr>
<td>TOTAL COMPLIANCE</td>
<td>28%</td>
<td>82%</td>
<td>100%</td>
<td>65%</td>
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<tr>
<td><strong>SEE MORE</strong> WORKERS' BASIC RIGHTS</td>
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<tr>
<td>TOTAL COMPLIANCE</td>
<td>80%</td>
<td>90%</td>
<td>77%</td>
<td>84%</td>
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<tr>
<td><strong>SEE MORE</strong> WORKERS' RIGHTS</td>
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<tr>
<td>TOTAL COMPLIANCE</td>
<td>90%</td>
<td>73%</td>
<td>87%</td>
<td>81%</td>
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<td><strong>SEE MORE</strong> HEALTH AND SAFETY</td>
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<tr>
<td>TOTAL COMPLIANCE</td>
<td>87%</td>
<td>82%</td>
<td>89%</td>
<td>86%</td>
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<tr>
<td><strong>SEE MORE</strong> ENVIRONMENT</td>
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<td>TOTAL COMPLIANCE</td>
<td>84%</td>
<td>75%</td>
<td>77%</td>
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<tr>
<td><strong>SEE MORE</strong> HOUSING CONDITIONS</td>
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<tr>
<td>TOTAL COMPLIANCE</td>
<td>95%</td>
<td>94%</td>
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<td><strong>SEE MORE</strong> HOME WORKERS</td>
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<tr>
<td>TOTAL COMPLIANCE</td>
<td>90%</td>
<td>51%</td>
<td>89%</td>
<td>63%</td>
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</tbody>
</table>
SOCIAL CRITERIA – GOTS

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Child labour must not be used
4. No discrimination is practiced
5. Working conditions are safe and hygienic
6. Fair remuneration
7. Working hours are not excessive
8. No precarious employment is provided
9. Harsh or inhumane treatment is prohibited
10. Social Compliance Management
11. Ethical Business Behavior
<table>
<thead>
<tr>
<th>Area</th>
<th>Risk – <strong>GINNING</strong></th>
</tr>
</thead>
</table>
| **Storage (Heap Area, Pala House, Bale storage)** | 1. Safety Issues  
2. Un identified Workforce  
3. Presence of Child  
4. Un controlled movement of Tractors  
5. Absence of fire extinguishers, Missing FES, Blocked Emergency exit  
6. Stacking Height |
| **Production**            | 1. High Fluff level  
2. Noise level @ DR  
4. Absence of fire extinguishers, Missing FES, Blocked Emergency exit |
| **Social**                | 1. Forced Overtime  
2. No Premium rate for OT  
3. No control on shift time  
4. Minimum wages not providing  
5. Accommodation facility provided for state migrant workers unsafe & Un hygienic condition  
6. No drinking water facility, Toilets are un hygienic & Dirty, some time not available. |
| **Documentation**         | 1. Due to seasonal business document proof available – Age proof, Appointment letter not available  
2. Forced labour  
3. Bonded labour  
4. No Statutory benefit (PF, ESIC)  
5. No practical health and safety training provided. |
<table>
<thead>
<tr>
<th>AREA</th>
<th>RISK – SPINNING</th>
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</thead>
<tbody>
<tr>
<td>Production</td>
<td>1. Flying fibers</td>
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<tr>
<td></td>
<td>2. Uncovered moving machine parts</td>
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<tr>
<td></td>
<td>3. High noise level specially in R/F and Doubling section</td>
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<tr>
<td></td>
<td>4. Poor working condition</td>
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<tr>
<td>Social &amp; Health safety</td>
<td>1. Toilets &amp; washrooms unhygienic</td>
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<tr>
<td></td>
<td>2. No space for food consumption</td>
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<td>3. First aid box missing, expired medicine, Tablets kept in first aid box</td>
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<td>4. Unhygienic rest rooms, canteens</td>
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<td></td>
<td>5. PPES not used/not provided Un safe material handling</td>
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<td>6. Abuse, Disciplinary action</td>
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<tr>
<td></td>
<td>7. Missing FES, Blocked FES, Absence of Floor plan, Emergency preparedness plan</td>
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<tr>
<td></td>
<td>misplaced, Hydrant box key missing, hammer missing to brake glass.</td>
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<tr>
<td>Documentation</td>
<td>1. Trade union related issues (Meeting records, Settlement proofs)</td>
</tr>
<tr>
<td></td>
<td>2. Contract workers related</td>
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<tr>
<td></td>
<td>3. Falsification is timing records, wages records, workers contracts.</td>
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<tr>
<td>AREA</td>
<td>RISK – <strong>KNITTING &amp; WEAVING</strong></td>
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<td>5. Overt time rate</td>
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<td>6. Excessive working Hrs</td>
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<td>7. Safety Training records</td>
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<tr>
<td><strong>Documentation</strong></td>
<td>1. Waste handling &amp; Disposal procedure</td>
</tr>
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<td></td>
<td>2. Contract workers related</td>
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<th>AREA</th>
<th>RISK – <strong>WET PROCESSING</strong></th>
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<tr>
<td>Production</td>
<td>1. PPES are not used and provided</td>
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<tr>
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<td>2. Hot temperature machines in working area</td>
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<td>3. Continue work, chemical exposure, Adore</td>
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<tr>
<td>Social &amp; Health safety.</td>
<td>1. Unsafe storing of Chemicals.</td>
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<td></td>
<td>2. Missing eye wash station, missing chemical spillage kits</td>
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<tr>
<td></td>
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<tr>
<td>AREA</td>
<td>RISK – MANUFACTURING</td>
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NCS

- Social, Health & Safety
- Residual & technical testing
- Logo & Labelling
- Packaging material Testing
- Environmental Related
- Wax/Knitting-Weaving oil
- Inputs Approval
Guidance for conducting workers interview

The Introduction
- Clearly explain the purpose of the interview
- Provide assurances of confidentiality.
- Manage expectations of workers and clarify role of the social auditor.
- Workers may hope that the audit will resolve their individual grievances *
- Workers may expect improvement in general factory conditions.

What workers want to know –
- How will you use what i tell you ?
- How will you protect my identity or the information i provided ?
- Will the factory close down if i provide sensitive information ?
- How long will this take ?
- Am I being paid for this time ?

Gathering information –
- Know what you want to ask?
- Start from a discussion on general questions or topics and lead gradually to a workers specific query .
- Ask open question
- Gather sufficient information, especially if a violation is uncovered.
Continued .......

• Listen carefully and accept workers view.
• Give workers enough time to respond.
• Be specially careful when gathering sensitive information.
• Know when you have probed enough & when to stop the discussion.
• Note workers credibility .
• Manage workers remaining concerns.
• Thanks the worker for his/her time , comments and cooperation .
• Give the workers your contact information to report any reprisal .

Closing Interview –

• Manage workers remaining concerns
• Thanks the workers for his/her time , comments , and cooperation.
• Give the worker your contact information to report any reprisals.
Key Review Requirement

1. Understand the factories payroll and time keeping system
2. Gather Documents and select a sample to review and analyse
3. Check and analyze documents
4. Validate and get Supporting evidence
Bad Practices

Fiber level at Ginning

Child labour in packing department

Uncover moving parts

Fire Fighting Equipments

Food Consumption in production premises.
No hand rails
Unsafe working style
Accommodation Facility
Unsafe working style
First aid box
Toilets and washroom condition
No Hand Gloves

Emergency door chances of falling during evacuation

No gloves
Good Practices

- PPEs used by workers
- Fire Extinguisher at correct height and proper sign post
- House keeping and cleanliness at Spinning
Thank You!