

Auditee :	IHSAN Cotton Products (Pvt) Ltd (Madeups Division)
Audit Date From :	26/09/2018
Audit Date To :	28/09/2018
Expiry Date of the Audit :	Please refer to the producer profile in the amfori BSCI platform
Auditing Company :	SGS
Auditor's Name(s) :	Umer Khayyam(Lead)
Auditing Branch (if applicable) :	SGS PAKISTAN SSC



This is an extract of the on line Audit Report. The complete report is available in the amfori BSCI Platform.
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Rating Definitions



Rating	A combination of ratings per Performance Area where:	Consequence																																							
A Very Good	<ul style="list-style-type: none">Minimum 7 Performance Areas rated ANo Performance Areas rated C, D or E These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr></table>	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	B	B	B	A	A	A	A	A	A	A	B	B	B	B	B	B	The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit.
A	A	A	A	A	A	A	A	A	A	A	A	A																													
A	A	A	A	A	A	A	A	A	A	B	B	B																													
A	A	A	A	A	A	A	B	B	B	B	B	B																													
B Good	<ul style="list-style-type: none">Maximum 3 Performance Areas rated CNo Performance Areas rated D or E These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td></tr><tr><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td></tr></table>	A	A	A	A	A	A	B	B	B	B	B	B	B	A	A	A	A	A	B	B	B	B	B	B	B	C	B	B	B	B	B	B	B	B	B	B	C	C	C	The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit.
A	A	A	A	A	A	B	B	B	B	B	B	B																													
A	A	A	A	A	B	B	B	B	B	B	B	C																													
B	B	B	B	B	B	B	B	B	B	C	C	C																													
C Acceptable	<ul style="list-style-type: none">Maximum 2 Performance Areas rated DNo Performance Areas rated E These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>C</td><td>C</td><td>C</td><td>C</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>D</td></tr><tr><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td></tr></table>	A	A	A	A	A	A	A	A	A	C	C	C	C	A	A	A	A	A	B	B	B	B	C	C	C	D	C	C	C	C	C	C	C	C	C	C	C	D	D	The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days.
A	A	A	A	A	A	A	A	A	C	C	C	C																													
A	A	A	A	A	B	B	B	B	C	C	C	D																													
C	C	C	C	C	C	C	C	C	C	C	D	D																													
D Insufficient	<ul style="list-style-type: none">Maximum 6 Performance Areas rated E These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>D</td><td>D</td><td>D</td></tr><tr><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td><td>D</td><td>E</td></tr><tr><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr></table>	A	A	A	A	A	A	A	A	A	A	D	D	D	A	A	A	B	B	B	C	C	C	D	D	D	E	D	D	D	D	D	D	D	D	E	E	E	E	E	The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days.
A	A	A	A	A	A	A	A	A	A	D	D	D																													
A	A	A	B	B	B	C	C	C	D	D	D	E																													
D	D	D	D	D	D	D	D	E	E	E	E	E																													
E Unacceptable	<ul style="list-style-type: none">Minimum 7 Performance Areas rated E These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr><tr><td>A</td><td>A</td><td>B</td><td>B</td><td>C</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr><tr><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr></table>	A	A	A	A	A	A	E	E	E	E	E	E	E	A	A	B	B	C	D	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	amfori BSCI Participants shall closely oversee the auditee's progress as the producer may represent a higher risk than other business partners.
A	A	A	A	A	A	E	E	E	E	E	E	E																													
A	A	B	B	C	D	E	E	E	E	E	E	E																													
E	E	E	E	E	E	E	E	E	E	E	E	E																													
Zero Tolerance	A Zero Tolerance Issue was identified (see amfori BSCI System Manual Part V – Annex 5: amfori BSCI Zero Tolerance Protocol)	Immediate actions are required. The amfori BSCI Zero Tolerance Protocol is to be followed.																																							

Main Auditee Information



Name of producer :	IHSAN Cotton Products (Pvt) Ltd (Madeups Division)		
DBID number :	362088		
Audit ID :	134517		
Address :	4 KM, Raiwind Manga Road,, Lahore 54660 Punjab - Pakistan. Lahore		
Province :	Punjab	Country :	Pakistan
Management Representative :	Hafiz Muhammad Umair		
Contact person:	Muhammad Afzal	Sector :	Non-Food
Industry Type :	Textiles, clothing, leather	Product group :	other soft goods (please specify)
Product Type :	Cotton Products		

Audit Details



Audit Range :	<input checked="" type="checkbox"/> Full Audit	<input type="checkbox"/> Follow-up Audit
Audit Scope :	<input checked="" type="checkbox"/> Main Auditee	<input type="checkbox"/> Main Auditee & Farms
Audit Environment :	<input checked="" type="checkbox"/> Industrial	<input type="checkbox"/> Agricultural <input type="checkbox"/> Small Producer
Audit Announcement :	<input checked="" type="checkbox"/> Fully-Announced	<input type="checkbox"/> Fully-Unannounced <input type="checkbox"/> Semi-Announced
Random Unannounced Check (RUC) :	No	
Audit extent (if applicable) :	none	
Audit interferences or contingencies (if applicable) :	none	
Overall rating :	B	
Need of follow-up :		If YES, by :

Rating per Performance Area (PA)

PA 1	PA 2	PA 3	PA 4	PA 5	PA 6	PA 7	PA 8	PA 9	PA 10	PA 11	PA 12	PA 13
A	C	A	A	A	A	A	A	A	A	A	B	A

Executive summary of audit report

The opening meeting of this BSCI Audit was started at Ihsan Cotton with the words of Thanks from SGS, after that brief introduction of audit team was given to the participants. The audit methodology, confidentiality policy of SGS, classification of BSCI Ratings and methodology of reporting the audit results were thoroughly briefed by the Lead Auditor. Before proceeding to the audit, the audit scope and criteria were reaffirmed and audit itinerary/ plan, which had been forwarded to the organisation, was agreed. The Opening Meeting was attended by the management of the company.

A detailed site visit was conducted for the complete facility in order to verify Health & Safety and Environment part of the audit protocol. Workers were interviewed on one to one and focus group basis conducted by the auditors to ensure that BSCI requirements related to Forced Labour, Child Labour, Health and Safety, Freedom of Association, Disciplinary practices, Remuneration, Discrimination, Management Systems, Working Hours and Environment are being fulfilled. Attendance Record, Salary Sheets, Payment Slips, Contract Letters, Age Verification, Overtime, HSE Training, Inspections, Employee Committee Meeting Minutes, Management Review Meeting Minutes and internal monitoring records of workers were verified.

The closing meeting was carried out by the Lead Auditor explaining all the elements of CAP and further processing. The CAP was agreed and copy of it along with Audit Summary Report was also given to the client.

Ratings Summary



Auditee's background information			
Auditee's name :	IHSAN Cotton Products (Pvt) Ltd (Madeups Division)	Legal status :	Private Limited
Local Name :		Year in which the auditee was founded :	2012
Address :	4 KM, Raiwind Manga Road,, Lahore 54660 Punjab - Pakistan.	Contact person (please select) :	Muhammad Afzal
Province :	Punjab	Contact's Email :	om@ihsancotton.com
City :	Lahore	Auditee's official language(s) for written communications :	English
Region :	South Asia	Other relevant languages for the auditee :	Urdu, Punjabi
Country :	Pakistan	Website of auditee (if applicable) :	www.ihsancotton.com
GPS coordinates :	31.2563138, 74.1777745	Total turnover (in Euros) :	9702256.54
Sector :	Non-Food	Of which exports % :	100.00
Industry :	Textiles, clothing, leather	Of which domestic market % :	0.00
If other, please specify :		Production volume :	5467024 kg per annum
Product Group :	other soft goods (please specify)	Production cost calculation :	Yes
If other, please specify :		Lost time injury calculation cost :	Yes
Product Type :	Cotton Products		

Auditee's employment structure at the time of the audit		
Total number of workers :	150	Total number of workers in the production unit to be monitored (if applicable) :
		150
	MALE WORKERS	FEMALE WORKERS
Permanent workers	110	40
Temporary workers	0	0
In management positions	5	0
Apprentices	0	0
On probation	20	12
With disabilities	0	0
Migrants (national citizens)	0	0
Migrants (foreign citizens)	0	0
Workers on the permanent payroll	110	40
Production based workers	0	0
With shifts at night	3	3
Unionised	0	0
Pregnant	-	0
On maternity leave	-	0

Finding Report



Performance Area 1 : Social Management System and Cascade Effect

Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A

Deadline date:28/11/2018

GOOD PRACTICES:

AREAS OF IMPROVEMENT:

- 1.4 -** Although the company has documented production capacity for various operational units in the facility, however such capacity calculation is not adequately linked with resource requirements i.e. required number of labour to carry out such operations while complying with all national and social compliance requirements of working hours in case the demand rises above the usual production levels.

اگرچہ ادارے نے اپنی پیداواری صلاحیت کی مقدار کے حوالے سے ایک دستاویز بنا رکھی ہے لیکن اس حوالے سے کارکنان کی مطلوبہ تعداد طے کرنے کے لئے کوئی ثبوت نہیں دیکھا جا سکا جس پر کہ عمل درآمد کرنے کے بعد ادارہ ملکی اور سماجی قوانین کی حدود میں رہتے ہوئے کام کر سکے۔

Remarks from Auditee:

findings agreed with the auditee and a CAP will be documented to comply with the Code requirement

Performance Area 2 : Workers Involvement and Protection

Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: C

Deadline date:28/11/2018

GOOD PRACTICES:

AREAS OF IMPROVEMENT:

- 2.2 -** although workers are found well aware of the social compliance requirements and their working rights, however, no such achievement goals are present in documented form as yet.

گو کہ تمام کارکنان کو سماجی تعمیل پر تر بیت دی جاتی ہے اور وہ کام سے متعلق اپنے حقوق سے باخبر ہیں تاہم اس حوالے سے کامیابی حاصل کرنے کیلئے کوئی تحریری منصوبہ بندی موجود نہیں ہے۔

- 2.5 -** no participation/ mechanism for grievance handling in case of community complaints/ grievances has been devised

آس پاس کی آبادی کے خدشات یا شکایات کو دور کرنے کیلئے کسی قسم کا طریقہ کار موجود نہیں

Remarks from Auditee:

findings agreed with the auditee and a CAP will be documented to comply with the Code requirement

Performance Area 3 : The rights of Freedom of Association and Collective Bargaining

Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A

Deadline date:28/11/2018

GOOD PRACTICES:

AREAS OF IMPROVEMENT:

- 3.1 -** Although worker council meets regularly and minutes of meetings are verified, however worker council was elected more than 3 years ago and no elections have been carried out since that time as per requirements of Industrial Relations Act 2012

اگرچہ ورکر کونسل کی میٹنگ وقفے وقفے سے ہوتی رہی ہے لیکن کونسل کے الیکشن 3 سال سے زائد عرصہ پہلے منعقد کئے گئے تھے جو کہ ملکی قانون کی ہدایت کے منافی ہے

Remarks from Auditee:

findings agreed with the auditee and a CAP will be documented to comply with the Code requirement

Performance Area 4 : No Discrimination

Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A

Deadline date:

GOOD PRACTICES:

AREAS OF IMPROVEMENT:

Remarks from Auditee:

Performance Area 5 : Fair Remuneration	
Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	
Performance Area 6 : Decent Working Hours	
Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	
Performance Area 7 : Occupational Health and Safety	
Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A	Deadline date:28/11/2018
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
No transportation and dormitory facilities are provided to the workers hence the requirements 7.23 and 7.24 are marked N/A	
7.4 - During Workers Interviews, it was found that, they and / or their representatives were not consulted for the identification of OH & S hazards and assessment	
کارکنوں کے انٹرویو کے دوران، یہ پتہ چلا گیا کہ، پیشہ ورانہ صحت اور حفاظت کے خطرات اور تشخیص کی شناخت کے لئے وہ اور / یا ان کے نمائندوں سے مشورہ نہیں کیا گیا	
7.25 - Although monitoring tests are found performed, however no reference is made to the local regulatory limits i.e. Punjab Environmental Quality Standards in the reports with respect to the resultant values.	
اگرچہ مانیتورنگ کی رپورٹس موجود ہیں لیکن ان میں ملکی قوانین کا کوئی حوالہ نہیں دیا گیا	
Remarks from Auditee: findings agreed with the auditee and a CAP will be documented to comply with the Code requirement	
Performance Area 8 : No Child Labour	
Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	
Performance Area 9 : Special protection for young workers	
Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
No young workers are employed in the facility, hence the requirements are marked N/A	
Remarks from Auditee:	

Performance Area 10 : No Precarious Employment	
Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	
Performance Area 11 : No Bonded Labour	
Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	
Performance Area 12 : Protection of the Environment	
Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: B	Deadline date:28/11/2018
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
12.1 - No documentation could be verified for Environmental Risk Assessment considering significant aspects and subsequent impacts of the operations	
ماحولیاتی خطرات کی تشخیص کے حوالے سے کوئی دستاویز نہیں دیکھی جا سکی	
Remarks from Auditee: findings agreed with the auditee and a CAP will be documented to comply with the Code requirement	
Performance Area 13 : Ethical Business Behaviour	
Full Audit [Audit Id - 134517] Audit Date: 26/09/2018 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	

Summary



Audit Type	Date	Audit Id	PA1	PA2	PA3	PA4	PA5	PA6	PA7	PA8	PA9	PA10	PA11	PA12	PA13	Overall Rating
Full Audit	26/09/2018	134517	A	C	A	A	A	A	A	A	A	A	A	B	A	B

Producer Photos

