

Monitored Party Fair Cotton Pvt. Ltd.	amfori ID 050-001477-000	Address A-65/66, BSCIC INDUSTRIAL ESTATE , FATULLAH, NARAYANGANJ - 1400, BANGLADESH., Narayanganj, Dhaka, Bangladesh
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner Eurofins CPA
Monitoring Start Date 02/01/2024	Closing Meeting Finished Date 16/01/2024	Submission Date 16/01/2024
Expiration Date 16/01/2025	Announcement Type Fully Announced	
Site Site 1	Site amfori ID 050-001477-001	

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OVERALL RATING



SECTION RATING

PA1: Social Management System	D	
PA 2: Workers Involvement and Protection	C	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination, Violence or Harassment	C	
PA 5: Fair Remuneration	A	
PA 6: Decent Working Hours	C	

PA 7: Occupational Health and Safety	D	
PA 8: No Child Labour	A	
PA 9: Special Protection for Young Workers	A	
PA 10: No Precarious Employment	A	
PA 11: No Bonded, Forced Labour or Human Trafficking	A	
PA 12: Protection of the Environment	B	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Abdullah Al Muktadir; APSCA membership number: CSCA 21700582

Name of team auditor:

Md. Mahmudur Rahman Shovon; APSCA membership number: ASCA 21701562

Name of observers, translators, trainees, advisors/consultants: None.

Monitoring partner name: Eurofins CPA

Audit schedule details: The audit is planned for 2 auditors x 1 day (1.5-man day on site). Lead auditor Abdullah Al Muktadir and Team auditor Md. Mahmudur Rahman Shovon attended the audit.

Business partner information:

Fair Cotton (Pvt.) Ltd. is located at A-65, 66, BSCIC I/A, Shasongaon, Enayetnagar, Fatullah, Narayangonj, Bangladesh. The factory incorporated in 1999.

The product of the facility is garments (Knit items) with the production processes: Knitting, cutting, sewing, and finishing. Production capacity is around 150000 pieces in a month. The following business license information is noted:

1. Factory License: 10677/Narayangonj issued by Department of Inspection for Factories and Establishments, which is valid till June 30, 2024
2. Fire License: DD/Dhaka/19494/2006, issued by Bangladesh Fire Service & Civil Defense Authority, which is valid till June 30, 2024
3. Trade License: License issue no. 959/2023-2024, issued by Enayetnagar Union Parishad, which is valid till June 30, 2024

Audited location information: Total area of the factory is around 20500 square feet. The facility premise consists of 01 building which is made up of a mixture of concrete and cement. Note that another facility under separate management and separate ownership is located in the same building as described below:

Building 1 (5 storied concrete building)

Ground floor: Security post, knitting section, cutting section, warehouse area and generator.

1st floor: finishing section, electric boiler, childcare, medical room, and office area.

2nd floor: Sewing section, dining area, prayer room and office area.

3rd floor: Authentic Knitwear Ltd. (Another facility under separate management and separate ownership)

4th floor: Authentic Knitwear Ltd. (Another facility under separate management and separate ownership)

Rooftop: vacant

Operating shifts and hours: The facility operates in single shift from 9:00 am to 6.00 pm including 01 hour resting break from 1:00 p.m. to 2:00 pm. Security section operates in three shifts from 6:00 am to 2:00 pm; 2:00 pm to 10:00 pm; and 10:00 pm to 6:00 am including 01 hour resting break by rotation basis. Friday is their weekly holiday. For security section, they maintain weekly holiday by rotation basis.

Time recording system: The factory uses manual paper timecards for recording the attendance of workers.

Salary payment details: The facility consider pay period as the calendar month. The wages are paid through cash within 7 working days of the following month which is in line with the legal guidance.

Worker number information: Total number of employees were noted 97 including 42 male and 55 female. There was no child worker, young worker, intern, apprentice, pregnant worker in the facility during the audit day.

Good practices: None.

Worker organization details: The facility did not have labor union or collective bargaining agreements. However, the facility

has formed a Participation Committee through election procedure on 28 November 2023. The committee has 06 members, among them 03 are from the worker's side and 03 are from management side. The facility has a policy on freedom of association. The meetings of the Participation Committee are generally held on a regular basis and the last meeting was conducted on 29 November 2023 where different issues were discussed.

Circumstances: There were no special circumstances noted during the audit. Auditors were provided full access for all audit functions and the management was cooperative and extended their fullest support throughout the audit.

Summary of findings: Improvement areas were identified in PA 1, PA 2, PA 4, PA 5, PA 6, PA 7, PA 12 and PA 13. Details of the findings are listed in the respective section.

No improvement areas were identified in PA 3, PA 8, PA 9, PA 10, PA 11.

Living wage calculation: Auditors followed the Anker Methodology of GLWC website. As per the website, the calculated living wage around the audited facility was BDT 21091. The relevant document is attached as a report attachment.

Precautions taken about #COVID-19 in the facility: The facility has taken some preventive actions for the #COVID-19 situation. For example, they have arranged hand washing areas at the factory gate and at the facility production floors. The facility ensured all employee's body temperature are checked through infra-red gun.

Remarks:

1. There are no agencies used by the facility, which makes the agency labor contract not applicable.
2. Government has issued a working hour waiver for 100% export-oriented garment industry and that is applicable to the whole industry. So, that is considered as law instead of waiver.
3. Structural/stability licenses is not a legal requirement in Bangladesh.
4. Environmental license is not applicable for this type of factory (knit garment producing factory) as government exempted cut to pack and sweater producing factory from the requirement of Environment Clearance Certificate.
5. The facility did not have any trade union or collective bargaining agent, that make the collective bargaining agreements not applicable.
6. The facility did not have any dormitory facility and it's not mandated by law which made the dormitory photos not applicable.
7. No inconsistencies were found between timecards, salary sheets and production records which made the inconsistency report not applicable.
8. An additional auditor was assigned to this audit (Abdullah Al Mamun) who actually did not attend this audit. The audit was conducted as 2-man days including onsite 1.5-man day.

SITE DETAILS

Site

Site amfori ID

Site 1

050-001477-001

GICS Classification

Sector

Consumer Discretionary

Industry Group

Consumer Durables & Apparel

Industry

Textiles, Apparel & Luxury Goods

Sub Industry

Apparel, Accessories & Luxury Goods

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

METRICS

Key Metrics

Total workforce	74	Workers
Legal minimum wage in local currency	8,000	Monthly
Lowest wage paid for regular work at the site	8,000	Monthly
Calculated living wage in local currency	21,091	Monthly
Total sample	12	Workers

Other Metrics

Male workers	36	Workers
Female workers	38	Workers
Non-binary workers	0	Workers
Permanent workers - Male	42	Workers
Permanent workers - Female	55	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	2	Workers
Management - Female	0	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	3	Workers
Workers on probation - Female	2	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	3	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	0	Workers
Domestic migrant workers - Female	0	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	42	Workers
Workers hired directly - Female	55	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	0	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	0	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	5	Workers
Sample - Female	7	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: Site 1 | Site amfori ID: 050-001477-001

Question: 1.1 Is there satisfactory evidence that the auditee has set up an effective management system to implement the amfori BSCI Code of Conduct?

ENGLISH

Finding

In accordance with the requirements of Performance Area 1.1 of the BSCI Code of Conduct

Based on document review, management, and worker interviews it was noted that the facility is trying to adopt the requirements of amfori BSCI COC and Terms of Implementation. However, they still have some lack of understanding to develop the internal procedures to integrate the BSCI Code into day-to-day business practices. In addition, improvement areas were found in a few performance areas that were mentioned in the related performance areas.

This question is rated as partial as the facility has ensured most of the amfori BSCI requirements.

Question: 1.2 Is there satisfactory evidence that a senior manager has been appointed to ensure that the values and principles of amfori BSCI are followed in a satisfactory manner?

ENGLISH

Finding

In accordance with the requirements of Performance Area 1.2 of the BSCI Code of Conduct

Based on document review it was noted that, according to company organogram, specific job responsibilities are not defined for each responsible person of each department. Moreover, facility has appointed one compliance personnel for implementing amfori BSCI CoC but assigned person as amfori BSCI management representative have no good understanding about on "amfori BSCI Code of Conduct and Terms of Implementation" and who have no relevant training on amfori BSCI audit requirement. No formal team has been formed involving different staffs from different sections to implement and ensure amfori BSCI social CoC in the facility.

This question is rated as partial as the facility has ensured a management representative.

Question: 1.3 Is there satisfactory evidence that the auditee has identified their significant business partners and their level of alignment with the amfori BSCI Code of Conduct?

ENGLISH

Finding

In accordance with the requirements of Performance Area 1.3 of the BSCI Code of Conduct

Based on document review and management interview, it was noted that, factory management provide wrong format of Terms of Implementation

Finding

With their 07 out of 07 business partners. In addition, facility management didn't establish human rights policy and didn't share this policy with their business partners yet.

This question is rated as partial as the facility has policies and procedures and shares the amfori BSCI CoC with their supplier.

PA 2: Workers Involvement and Protection

Site: Site 1 | Site amfori ID: 050-001477-001

Question: 2.2 Is there satisfactory evidence that the auditee defines long-term goals for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct?

ENGLISH

Finding

In accordance with the requirements of Performance Area 2.2 of the BSCI Code of Conduct

Based on document review and management interview it was noted that the facility has not defined company mission. Facility just mentioned some generic statement related to amfori BSCI. Facility has set some strategic plan, but no monitoring activities was taken to follow up that strategic plan is working.

This question is rated as partial as the facility has a mission vision.

Question: 2.4 Is there satisfactory evidence that the auditee builds sufficient competence among managers, workers and workers representatives to successfully embed responsible practices in the business operation?

ENGLISH

Finding

In accordance with the requirements of Performance Area 2.4 of the BSCI Code of Conduct

Based on the document review, management, and worker interviews, it was noted that 09 of 12 randomly selected sample workers were not aware of social compliance practices in the business operation.

This question is rated as partial as the facility has a procedure to provide BSCI CoC training procedures to their workers and midlevel management.

Question: 2.5 Is there satisfactory evidence that the auditee has established, or participates in, an effective operational-level grievance mechanism for individuals and communities?

ENGLISH

Finding

In accordance with the requirements of Performance Area 2.5 of the BSCI Code of Conduct

Finding

Based on document review and management interview -

a. Facility management didn't keep grievance for full scope. During review of grievance register it was noted that facility keeps grievance information from August 23 to December 23.

b. The facility has a policy and procedure on grievance handling. However, grievances lodged in the grievance register didn't include the following for 02 out of 05 grievance:

- Date of the Hearing of the Parties
- Date of the Conclusion reached and accepted by both parties
- Timeline to address and the process of appeal were not included
- An analysis procedure to find out the root cause of the grievance.

c. Though the facility has policy on grievance for workers, but the procedure did not define how to deal with "potential conflict of interest.

This question is rated as partial as the facility has a procedure to maintain grievance from workers.

PA 4: No Discrimination, Violence or Harassment

Site: Site 1 | Site amfori ID: 050-001477-001

Question: 4.1 CRUCIAL: Is there satisfactory evidence that the auditee takes the necessary measures to avoid or eradicate discrimination in the workplace?

ENGLISH

Finding

In accordance with the requirements of Performance Area 4.1 of the BSCI Code of Conduct

Based on document review and interview with workers and management it was noted that -

a. Facility has developed discrimination policy and procedure to protect discrimination but did not conduct internal assessment to find out the most common areas (Hiring, firing, promoting etc.) inside the factory where discrimination may arise. Moreover, no root analysis was conducted to identify the causes of discriminatory behaviors.

b. Non-discrimination policy was not communicated to the management staffs and they were not trained in regular basis on non-discrimination activities. Moreover, non-discrimination policy was not communicated with their significant business partners.

c. Though facility has provided training to the workers on non-discrimination policy but, only covers 44 workers throughout the year. In addition, interviewed workers were not aware of non-discrimination activities which could occur in the workplace.

This question is rated as partial as the facility has a discrimination policy.

Question: 4.2 Is there satisfactory evidence that the auditee takes the necessary preventative and/or remedial measures to ensure workers are not disciplined, dismissed, harassed or otherwise discriminated against because of their complaints against infringements of their rights?

ENGLISH

Finding

In accordance with the requirements of Performance Area 4.2 of the BSCI Code of Conduct

Based on document review and management interview it was noted that the facility has conducted grievance satisfaction survey, but it was not conducted periodically as a continuous process.

This question is rated as partial as the facility has a grievance survey.

PA 5: Fair Remuneration

Site: Site 1 | Site amfori ID: 050-001477-001

Question: 5.4 Is there satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living?

ENGLISH

Finding

In accordance with the requirements of Performance Area 5.4 of the BSCI Code of Conduct

Based on the document review, management interviews, and worker interviews, it was noted that the facility has calculated the living wage for the area where employees are living and ensures the minimum wage as per legal requirements. However, the facility did not ensure a GLWC-calculated living wage for the employees. As per GLWC's calculated living wage, the calculated living wage is approximately BDT 21091, and as per the facility's calculated living wage, it is approximately around 8000.

This question is rated as partial as the facility has ensured minimum wages as per legal requirements.

PA 6: Decent Working Hours

Site: Site 1 | Site amfori ID: 050-001477-001

Question: 6.2 CRUCIAL: Is there satisfactory evidence that the auditee request of overtime is in line with the requirements of the amfori BSCI Code of Conduct?

ENGLISH

Finding

In accordance with the requirements of Performance Area 6.2 of the BSCI Code of Conduct

Based on document review and management interview, it was noted that the factory is maintaining manual time records for all workers. Records are showing uniform time in and out for all the workers, like 9:00 a.m. to 8:00 p.m. (including overtime). Therefore, the exact time in and out was not reflected properly in the time records. However, workers confirmed during interviews that they check and sign the timecards daily basis.

Note, as the facility had a policy and procedure regarding working hour and records working hour for the employee, a partial rating was given to this checkpoint.



PA 7: Occupational Health and Safety

Site: Site 1 | Site amfori ID: 050-001477-001

Question: 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?

ENGLISH

Finding

In accordance with the requirements of Performance Area 7.1 of the BSCI Code of Conduct

Based on document review, management, and worker interviews, it was noted that the facility has an internal audit system for monitoring the health and safety system of the factory, but still, some gaps were identified in occupational health and safety performance areas including risk assessment, MSDS, secondary containment, Labelling, root cause of injury, boiler noc, generator waiver certificate, PPE, machine safety, handrail, inward door.

This question is rated as partial as the facility has fulfilled all other requirement as per code and law.

Question: 7.3 Is there satisfactory evidence that the auditee set up an effective management system that ensures they regularly carry out risk assessments for safe, healthy and hygienic working conditions?

ENGLISH

Finding

In accordance with the requirement of Performance Area 7.3 of the BSCI Code of Conduct

Based on site tour it was noted that childcare was located at the 1st floor of building 1 which is not covered in the existing risk assessment as the place was beside the finishing section. Note that no child was accommodated in the childcare room during the audit day.

This question is rated as partial as the facility has childcare room.

Question: 7.6 Is there satisfactory evidence that the auditee enforces the use of PPE to provide protection to workers alongside other controls and safety systems?

ENGLISH

Finding

In accordance with the requirements of Performance Area 7.6 of the BSCI Code of Conduct and Bangladesh Labour Rules 2015, Rule 67 (1), (2):

Based on site tour it was noted that randomly checked 2 out of 5 flatlock machine operators were not using facemask while working on those machines located at 2nd floor of main production building.

This question is rated as partial as the facility has provided relevant PPE to all the workers and they have a practice to provide regular training on the importance of using relevant PPE to all their workers.

Question: 7.7 Is there satisfactory evidence that the auditee implements engineering and administrative control measures to avoid or minimise the release of hazardous substances into the work environment, keeping the level of exposure below internationally established or recognised limits?

ENGLISH

Finding

In accordance with the requirements of Performance Area 7.6 of the BSCI Code of Conduct and Bangladesh Labour Rules 2015, Rule 68 (10):

Based on site tour it was noted that one bottle of chemical (Thinner) was found in the spot removing room without labelling, MSDS and secondary containment. Note that no worker was working there during the audit day.

This question is rated as partial as the facility has provided chemical safety training to the operator.

Question: 7.10 Is there satisfactory evidence that the auditee has and properly uses procedures and systems for reporting and recording occupational accidents and injuries?

ENGLISH

Finding

In accordance with the requirement of Performance Area 7.10 and Bangladesh Labor Rules- 2015, Rule-73 (1, 2)]

Based on document review and management interview it was noted that the facility does not find out the specific root cause analysis of injury and accident that occurring in the factory daily or monthly basis. Moreover, no awareness training was provided to related workers based on injury analysis report.

Note, as the facility has maintained injury register and analysis, a partial rating was given to this checkpoint.

Question: 7.11 Is there satisfactory evidence that the auditee confirms that the equipment and buildings used for production are stable and safe?

ENGLISH

Finding

In accordance with the requirement of Performance Area 7.11 and Bangladesh Boiler act 2022 chapter 5, rule-18 (1)] and Bangladesh Energy Regulatory Commission Act 2003, Section 27 (1, 2)

Based on document review and management interview it was noted that -

- a. During audit it was noted that facility has 02 electric boilers, but no NOC was taken from concern authority for using both electric boilers.
- b. Facility has 01 generator having capacity of 160 KW. No waiver certificate found for the generator.

Finding

This question is rated as partial as the facility has maintenance record for electric boiler and generator.

Question: 7.15 CRUCIAL: Is there satisfactory evidence that the auditee ensures that escape routes, aisles and emergency exits in the production site are not blocked, easily accessible and clearly marked?

ENGLISH

Finding

In accordance with the requirement of Performance Area 7.15 and Bangladesh Labour Act 2006, Section 62 (3b):

Based on site tour it was noted that

(a) 1 out of 2 staircases did not have wall side handrail as per legal requirements.

(b) All the emergency exit doors were found inward opening type instead of outward opening type as per legal requirements.

This question is rated as partial as the facility has emergency exit.

Question: 7.17 Is there satisfactory evidence that the auditee ensures adequate safeguards for any machine part, function, or process which may cause injury to workers?

ENGLISH

Finding

In accordance with the requirements of Performance Area 7.17 of the BSCI Code of Conduct and Bangladesh Labour Act 2006, section 63(1) D (3):

Based on site tour it was noted that randomly checked 2 out of 5 overlock machine Eye guards were found displaced from its position located at 2nd floor of building.

This question is rated as partial as the facility has ensured other machines with proper safety guards during the audit day.

PA 12: Protection of the Environment

Site: Site 1 | Site amfori ID: 050-001477-001

Question: 12.1 Is there satisfactory evidence that the auditee continuously identifies the significant impacts and environmental implications associated to its activity?

ENGLISH

Finding

In accordance with the requirements of Performance Area 12.1

Finding

Based on document review, it was noted that the facility did not develop any procedure for significant aspect and impact assessment regarding environment for its activities.

This question is rated as partial as the facility has others environment tests.

Question: 12.5 Is there satisfactory evidence that water is managed in a way that respects the environment, particularly but not limited to preserving local water sources?

ENGLISH

Finding

In accordance with the requirements of Performance Area 12.5

Based on document review and management interview it was noted that -

- a) Facility management has not conducted any risk assessment on water waste reduction and no awareness training has been provided so far to the employees.
- b) Facility did not have any procedure to preserve natural water resource (recycling practices, preserve rainwater etc.) to ensure better environment in the premises.

This question is rated as partial as the facility has a policy on environment.

PA 13: Ethical Business Behaviour

Site: Site 1 | Site amfori ID: 050-001477-001

Question: 13.2 Is there satisfactory evidence that the auditee keeps accurate information regarding its own activities, structure and performance?

ENGLISH

Finding

In accordance with the requirement of Performance Area 13.2

Based on document review and management interview, it was noted that the factory is maintaining manual time records for all workers. Records are showing uniform time in and out for all the workers, like 9:00 a.m. to 8:00 p.m. (including overtime). Therefore, the exact time in and out was not reflected properly in the time records. However, workers confirmed during interviews that they check and sign the timecards daily basis.

Note, this checkpoint is marked partially as the facility has a system which records worker in out time.