

Auditee :

RS KNIT FASHION LTD

Audit Date From :

12/10/2020

Audit Date To :

12/10/2020

Expiry Date of the Audit :

Please refer to the producer profile in the amfori BSCI platform

Auditing Company :

TUV SUD

Auditor's Name(s) :

Md. Aulad Hossain, Farjana Nahar, A F M Amin Sharif(Lead)

Auditing Branch (if applicable) :

TUV SUD Bangladesh (Pvt.) Ltd.

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 A • No Performance Areas rated C, D or E <p>These are three examples:</p> <table border="1"> <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><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><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>A</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></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	A	A	A	B	B	B	B	B	B	A	A	A	A	A	A	A	A	B	B	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	A	A	A	B	B	B	B	B	B																																			
A	A	A	A	A	A	A	A	B	B	B	B	B	B	B	B																																			
B Good	<ul style="list-style-type: none"> • Maximum 3 Performance Areas rated C • No Performance Areas rated D or E <p>These are three examples:</p> <table border="1"> <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><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>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>B</td><td>B</td><td>C</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	B	B	B	A	A	A	A	A	B	B	B	B	B	B	B	B	B	B	C	B	B	B	B	B	B	B	B	B	B	B	B	C	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	B	B	B																																			
A	A	A	A	A	B	B	B	B	B	B	B	B	B	B	C																																			
B	B	B	B	B	B	B	B	B	B	B	B	C	C	C	C																																			
C Acceptable	<ul style="list-style-type: none"> • Maximum 2 Performance Areas rated D • No Performance Areas rated E <p>These are three examples:</p> <table border="1"> <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><td>C</td><td>C</td><td>C</td></tr> <tr><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>C</td><td>C</td><td>C</td><td>D</td><td>D</td><td>D</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>C</td><td>C</td><td>D</td><td>D</td><td>D</td></tr> </table>	A	A	A	A	A	A	A	A	A	C	C	C	C	C	C	C	A	A	A	A	B	B	B	B	B	C	C	C	D	D	D	D	C	C	C	C	C	C	C	C	C	C	C	C	C	D	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	C	C	C																																			
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C	C	C	C	C	C	C	C	C	C	C	C	C	D	D	D																																			
D Insufficient	<ul style="list-style-type: none"> • Maximum 6 Performance Areas rated E <p>These are three examples:</p> <table border="1"> <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>D</td><td>D</td><td>D</td><td>D</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>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>D</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	A	A	A	D	D	D	D	D	D	D	A	A	A	B	B	B	C	C	C	D	D	D	D	D	D	E	D	D	D	D	D	D	D	D	D	E	E	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.
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D	D	D	D	D	D	D	D	D	E	E	E	E	E	E	E																																			
E Unacceptable	<ul style="list-style-type: none"> • Minimum 7 Performance Areas rated E <p>These are three examples:</p> <table border="1"> <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><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><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><td>E</td><td>E</td><td>E</td></tr> </table>	A	A	A	A	A	A	E	E	E	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	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	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	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 :	RS KNIT FASHION LTD		
DBID number :	405215		
Audit ID :	194726		
Address :	Mogorkhal,Vogra By-pass Road, National University Gazipur-1704		
Province :	Dhaka	Country :	Bangladesh
Management Representative :	Mr. M.H Rahman – Deputy General Manager- Admin, Human Resource and Compliance		
Contact person:	M.H Rahman	Sector :	Non-Food
Industry Type :	Textiles, clothing, leather	Product group :	Apparel
Product Type :	All types of Knit Garments		



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
Audit Announcement :	<input checked="" type="checkbox"/> Fully-Announced	<input type="checkbox"/> Fully-Unannounced
Random Unannounced Check (RUC) :	No	
Audit extent (if applicable) :	none	
Audit interferences or contingencies (if applicable) :	none	
Overall rating :	C	
Need of follow-up :	Yes	If YES, by : 12/10/2021

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
D	C	A	C	A	D	B	A					

Executive summary of audit report

RS KNIT FASHION LTD. is a 100 % export-oriented apparels manufacturing company located at Mogorkhal, Vogra By-pass Road, National University, Gazipur -1704, Bangladesh. The facility has started its operation in 2017 at current location. The product manufactured by the factory is all kinds of knit items. The total area occupied by the factory is about is 90,000 square feet and total production area used by the factory is 22,500 square feet for its operations. The production capacity of the facility is 1,20,000 pieces per month.

The main production processes are listed as follows:
Knitting > Cutting> Sewing > Finishing (Iron to Pack).

The facility consists of 03 buildings. All buildings descriptions are as follow:

Building 01 (3 storied building):

Ground floor: Knitting section, accessories store, dining, canteen, cutting section, gray fabric store and yarn store.

1st floor: Office, childcare room, medical room, spot removing room, sewing section, finishing section, sample section, finished goods are, idle machine area and electric mini boiler room.

2nd floor: Under construction.

Roof top: 100% rooftop is vacant.

Building 02 (Single storied building):

Generator room and compressor room.

Roof top: 100% rooftop is vacant.

Building 03 (Single storied building):

Security room.

Roof top: 100% rooftop is vacant.

Note that, apart from the audited factory, facility has another production unit beside of factory premises with different name-Royal Electronic and Chemical Industries Ltd, under different license and different plot number. Both factories are under same owner but different management. Inside the facility premises observed a entrance between two factories. During site tour it was observed that Royal Electronic and Chemical Industries Ltd operation process is different. The main product of Royal Electronic and Chemical Industries Ltd is electronics items. Further, no exchange of employees noted both physically as well as documentary.

The facility has one regular shift from 08:00 am to 05:00 pm with one-hour meal break from 01:00 pm to 02:00 pm. In addition, security sections work activity is carried out in 03 shifts: from 06:00 am to 02:00 pm; 02:00 pm to 10:00 pm; 10:00 pm to 06:00 am (with 01-hour meal break by rotation). Facility management using manual time record keeping system to record workers "IN" and "OUT" time. Workers are being paid monthly in cash. As per management statement, facility has no peak off peak season in terms of intensity of production rather round the year is same.

Audit Process:

03 Auditors named AFM Amin Sharif (Lead Auditor)- (APSCA Number- RA 21703440), Farjana Nahar (Member Auditor)- (ASCA 21701687) and Md. Aulad Hossain (Member Auditor) (APSCA Number- RA 21701688) on October 12, 2020 assessed / verified the factory's operations against the amfori BSCI code of conduct (BSCI Version 2.0) and local legislations on a sampling basis during audit.

On October 12, 2020, auditors entered the facility and opening meeting was conducted with the management to introduce audit team and describe audit process. On behalf of factory management Mr. M.H Rahman – Deputy General Manager- Admin, Human Resource and Compliance, Mr. Jamil Ibna Bashir- Manager- Human Resource and Compliance, Mr. Md. Kamal Shikder- Assistant Manager- Human Resource and Compliance, Ms. Sabina Akter- Vice president of Participation Committee were present at the opening meeting.

The lead auditor explained the audit purpose and scope to the management team. Confidentiality of all information was also guaranteed by the auditor. Right after the opening meeting, audit team went on a site/plant visit with permission for photography and workers interview from the management. The

management team permitted to carry out the whole process as per the amfori BSCI requirements. The auditors also took interview of workers after finishing plant tour. In total, auditors selected 16 employees randomly for interview.

Post to these processes, auditors started to carry out document verification, management, legal compliance status review, amfori BSCI general requirements verification, wage calculation, environmental aspects check, overtime payment verification, working hours verification, environmental impact assessment and risk assessment for occupational health and safety of the workers and other information collection as per the audit plan.

16 attendance/time records and salary sheets of the selected employees from the month period of September 2020 (recent month), July 2020 (random month) and February 2020 (random month). The management team permitted to carry out the whole process as per the amfori BSCI requirement.

Auditor conducted the closing meeting on October 12, 2020 after completion of entire audit process (site tour, interview with the workers and management interview, document review). The same persons mentioned in opening meeting from management side and Ms. Sabina Akter- Vice president of Participation Committee were attended in the closing meeting. Finally, Mr. M.H Rahman – Deputy General Manager- Admin, Human Resource and Compliance and Ms. Sabina Akter- Vice president of Participation Committee has signed the Findings Report after the end of closing meeting.

Attitude of factory management: The factory management was receptive, positive and extended their full cooperation throughout the audit. They showed positive attitude towards the compliance requirements. Factory management was very much positive to provide the document which was needed to verify during the full audit. Further, they have agreed with the non-compliance issues identified during full audit and given time scale for correction. The factory management has certain that they would correct those issues within the planned time frame that was mentioned in the corrective action plan.

Note: The below documents are not applicable for this facility:

- Contractor license/permit.
- Agency labor contract.
- Government waivers.
- Collective bargaining agreements.
- Environment Clearance certificate.



Ratings Summary

Auditee's background information			
Auditee's name :	RS KNIT FASHION LTD	Legal status :	Private Limited Company
Local Name :	আর.এস.নিট ফ্যাশন লি:	Year in which the auditee was founded :	2017
Address :	Mogorkhal,Vogra By-pass Road, National University	Contact person (please select) :	M.H Rahman
Province :	Dhaka	Contact's Email :	rsknitfashion2017@gmail.com
City :	Gazipur-1704	Auditee's official language(s) for written communications :	Bengali
Region :	South Asia	Other relevant languages for the auditee :	English
Country :	Bangladesh	Website of auditee (if applicable) :	www.rsknitbd.com
GPS coordinates :	Latitude: 23.9864945; Longitude: 90.383617	Total turnover (in Euros) :	22384686.29
Sector :	Non-Food	Of which exports % :	100.00
Industry :	Textiles, clothing, leather	Of which domestic market % :	0.00
If other, please specify :	None	Production volume :	1,20,000 pieces per month
Product Group :	Apparel	Production cost calculation :	Yes
If other, please specify :	None	Lost time injury calculation cost :	Yes
Product Type :	All types of Knit Garments		

Auditee's employment structure at the time of the audit			
Total number of workers :	159	Total number of workers in the production unit to be monitored (if applicable) :	0
	MALE WORKERS	FEMALE WORKERS	
Permanent workers	48	56	
Temporary workers	0	0	
In management positions	5	0	
Apprentices	0	0	
On probation	20	30	
With disabilities	0	0	
Migrants (national citizens)	0	0	
Migrants (foreign citizens)	0	0	
Workers on the permanent payroll	73	86	
Production based workers	0	0	
With shifts at night	3	0	
Unionised	0	0	
Pregnant	-	1	
On maternity leave	-	0	

Finding Report**Performance Area 1 : Social Management System and Cascade Effect**

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: D

Deadline date:31/07/2021

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

During audit, overall status shows that the auditee partially fulfills the requirements of this performance area as 03 questionnaires (1.1, 1.3 & 1.4) have been marked as partially. The reason behind "partially and yes" marking has mentioned as: 1.1: Factory management has good understanding on amfori BSCI requirements and its significances. Through showing some evidence towards integrating the amfori BSCI Code into the auditee business culture, factory management confirming their positive initiative and necessity of effective management system.

1.2: Factory management has engaged a senior level management person to look after the implement the code in the factory, and he has also decision-making independency as well as budget allocation power to implement amfori BSCI requirements at the facility. He has gone through amfori BSCI system manual and get comprehensive knowledge on amfori BSCI core requirements. 1.3: Facility management does not have good overview of the significant business partners and their level of alignment. Factory management have prepared a list of their supplier and amfori BSCI COC and TOI have shared with most of the suppliers. In addition, facility did not conduct monitoring on social performance of the same suppliers. However, facility has implemented a procedure to handle the complaint raised by community peoples. Also, facility has a policy relating to supplier selection. 1.4: Facility management has done capacity planning as well as contingency plan considering 8 hours to avoid unnecessary subcontracting. However, capacity planning has not done considering the all factors and due to that reason workers required to go with excessive overtime. Factory management have a good understanding of the production rate per production unit and production rate per worker. Based on conversation factory management it was observed that factory management has capability to develop social management system in the factory premises. They are aware on short term investments and long-term solutions. They have started to train related personnel e.g. merchandiser, marketing and sales to take into consideration not only price and quality but also willingness to respect the amfori BSCI requirements.

- 1.1 -** It was noted that factory management has developed most of the areas but still some non-compliances are identified under different Performance Areas, which is the evidence of gaps in the overall management system against amfori BSCI COC requirements.
- 1.3 -** It was noted that facility has a documented procedure to select current and future significant business partner and through which facility management identified their significant business partners. But, amfori BSCI COC & TOI has not been shared to 02 out of 06 significant business partners as well as, no social monitoring records found for 02 out of 06 significant business partners. However, there is a procedure found to handle the complaint raised by the business partners.
- 1.4 -** It was noted that the facility management has done capacity planning as well as contingency plan considering 8 hours to avoid unnecessary subcontracting. However, excessive overtime has been identified over the sample pay period during decent working hours review. Assumed that, facility management did not consider all relevant factors realistically while preparing capacity plan to meet the expected delivery time. So that, facility had to go for excessive overtime.

Remarks from Auditee:

We would do corrective action accordingly.

Performance Area 2 : Workers Involvement and Protection

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: C

Deadline date:31/03/2021

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

Overall status shows that the auditee partially fulfills the requirements of this performance area as 03 questionnaires (2.1, 2.2 & 2.5) have been marked as partially. The reason behind "partially and yes" marking has mentioned as: 2.1: Factory management was formed a workers Participation Committee (PC) through election process dated on September 26, 2020 but several relevant election documents were not found during audit. Workers representatives were elected by the workers. This committee meeting is conducted ones in every two months. Where both (workers and management) trying to discuss about improving working conditions. Meeting minutes of PC forward to concern department as per law. 2.2: Facility does not have any long-term goal reflecting step by step approach towards the sustainable improvement. Factory management conducted risk assessments to identify appropriate protective measures for workers. 2.3: Factory management is providing the training on company's rules, legal rights and other safety issues and workers were aware on that. Factory management has posted amfori BSCI New Version Code inside the production floor. Factory management has provided contracts letter and job description and keep one copy of both document in workers personal file. 2.4: On a regular basis factory management arranges training for owners, directors, newcomers, managers and workers representatives etc. on the amfori BSCI Code. Training materials were found up to date. Sampled interviewed workers and midlevel management of the factory were found well aware about the requirements of amfori BSCI Code of Conduct. 2.5: Facility has a documented procedure on grievance mechanism for the workers. However, the policy was not in line with amfori BSCI requirements. As the policy did not define how to deal with "potential conflict of interest" and "Appeal process in the case of dissatisfaction". However, facility is maintaining a log and recorded the grievances and interviewed employees found aware about grievance procedure.

- 2.1 -** It was noted through documents review and management interview that, facility has formed Participation Committee through election process dated on September 26, 2020 but several election documents were not found during audit like -facility management had formed an Election Conduction Committee but did not sent copy to the concerned labor department authority. In addition, complete copy of voter list, nomination paper of candidates, documentation of examination of nomination of nomination paper of candidates by election conducting committee, symbol allotment, vote counting, labor Inspector testimony of fair election, concern authority memo etc. [Ref: Bangladesh Labor Rules 2015, Rule- 188, 190-193]
- 2.2 -** It was noted that, facility does not have any long-term goal reflecting step by step approach towards the sustainable improvement.
- 2.5 -** It was noted that, facility has a documented procedure on grievance mechanism as well as maintaining a log and recorded the grievances. However, the procedure of grievance mechanism does not define how to deal with potential conflict of interest and appeal process in cases of dissatisfaction.

Remarks from Auditee:

We would do corrective action accordingly.

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

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: A

Deadline date:31/03/2021

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

It was observed that the auditee partially fulfills the requirements of this performance area as 01 questions (3.1) has been marked as partially. The reason behind "partially, yes and N/A" marking has mentioned as: During audit, it was noted through interaction with factory management, interview with workers and documents review that, the factory does not have labor union/collective bargaining agreements, but they formed a PC (Participation Committee) through election basis dated on September 26, 2020. However, several relevant election documents were not found during audit. This committee meeting is conducted ones in every two months. Where both (workers and management) trying to discuss about improving working conditions. Meeting minutes of PC also forward to concern department as per law. Interviewed workers were well aware about the activities of the PC. Factory management has an open policy to form or joins union independently. PC members are not discriminated, and all PC members have right to raise their voice. Factory management conducts Participation Committee meeting in regular basis. Workers are free to raise and inform their grievance to the management directly or through the members of PC (Participation Committee). Members of PC (Participation Committee) also informed that they are not discriminated from any benefits or free movements in workplace. 3.3 is marked as N/A due to below reason. According to local legal requirements any union or collective bargaining is not mandatory to form. No trade union or worker's association is available in the factory and there is no restriction imposed by the factory management.

- 3.1 -** It was noted through documents review and management interview that, facility has formed Participation Committee through election process dated on September 26, 2020 but several election documents were not found during audit like -facility management had formed an Election Conduction Committee but did not sent copy to the concerned labor department authority. In addition, complete copy of voter list, nomination paper of candidates, documentation of examination of nomination of nomination paper of candidates by election conducting committee, symbol allotment, vote counting, labor Inspector testimony of fair election, concern authority memo etc. [Ref: Bangladesh Labor Rules 2015, Rule- 188, 190-193]

Remarks from Auditee:

We would do corrective action accordingly.

Performance Area 4 : No Discrimination

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: C

Deadline date:31/03/2021

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

It was noted that the auditee partially fulfills the requirements of this performance area as 02 questionnaires (4.1 & 4.2) have been marked as a partially. The reason behind "partially and yes" marking has mentioned as: During close door interview no complaint on discrimination revealed from workers. No discrimination on hiring which was evident by reviewing the documentation. Also, interviewed workers informed that they are not discriminated in terms of race, caste, religion, age, gender or marital status. Workers are equally treated in the factory in case of promotion, benefits etc. Overtime opportunity for all workers is equal. Factory management has separate policy on discrimination. Factory has posted that policy in different prominent places i.e. notice board and inside the production floor. Facility management did not conduct any internal assessment on the most common ground or common areas inside the factory where discrimination may arise. The factory did not conduct periodic satisfaction surveys properly on the grievance mechanism, harassment and discrimination etc. among their workers. The facility management has developed anti-discrimination policy it is comply with legal requirements.

- 4.1 -** It was noted that, facility management has not conducted an internal assessment on the most frequent ground used for discrimination as well as most common activities through which discrimination may occur.
- 4.2 -** It was noted that, facility management has not conducted any period satisfaction survey on grievance mechanism , harassment and discrimination among the workers.

Remarks from Auditee:

We would do corrective action accordingly.

Performance Area 5 : Fair Remuneration

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: A

Deadline date:31/03/2021

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

It was observed that, the auditee partially fulfills the requirements of this performance area as 01 questions (5.4) has been marked as a partially. The reason behind "partially and yes" marking has mentioned as: 5.1: Factory management is providing industry minimum wage BDT. 8000 for grade-07. Also, facility has provided increment annually as per local law. 5.2: Wages are paid within 7th working day after completion of each wage period (1st to 30th or 31st). During workers interview session workers confirmed and expressed their satisfaction for timely payment. 5.3: Reviewing their wage structure it was observed factory management is providing wage based on their skilled. No deviation has identified on any area of the facility. 5.4: Factory management did not take initiative to achieve living wages as they are not aware on living wage. However, factory is provided minimum wages is BDT 8000 for Grade-7 workers. 5.5: Casual, annual and sick leave are provided to all the workers. Factory management has provision to provide Maternity leave and benefits. Factory management is providing all benefits to resigned workers as per law. 5.6: No illegal deduction was observed from the audit process. Besides workers are also getting increment as per local law.

- 5.4 -** It was noted that the factory management did not take initiative to achieve living wages as they are not aware on living wage. Noted that living wages of the region is BDT 11,055 (approx.) and minimum wages is BDT 8000 for Grade-7 workers.

Remarks from Auditee:

We would do corrective action accordingly.

Performance Area 6 : Decent Working Hours

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: D

Deadline date:31/05/2021

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

During audit it was observed that, the auditee partially fulfills the requirements of this performance area as 02 questionnaires (6.2 and 6.4) have been marked as a "partially". The reason behind "yes and partially" marking has mentioned as: 6.1: The factory management has displayed notice regarding the working hours, overtime hours, lunch breaks, weekly and festival holidays on notice boards. They have collected working hour approval from concern authority. Regularly working hour of the factory is 48 hours weekly and 08 hours in a day. The person in charge for recruitment, he is aware on legal limit of working hour 6.2: During randomly checked sample months working hour analysis it was observed that few workers had exceeded the legal limit of hours of work. Overtime work is volunteer in the factory. Factory management has policy on working hour. Factory management paying premium rate (200% of basic wage of per hour). 6.3: Reviewed 12 months' payroll and time records and among 12 months' auditor randomly checked 03 months' payroll and time records. All the workers getting resting break between 02 shifts and all the workers are getting 01-hour lunch break. All employees have full access of to go toilets without prior notice within working hour. 6.4: Though randomly identified, some production workers found worked in weekly day off. However, factory management provided overtime payment for work on those days, but not provided any substitute holiday.

6.2 - It was noted that few workers had worked excessively as per following: July 2020 (random month): 16 out of 16 randomly selected employees worked more than the legal daily overtime limits (04 hours in a day) and highest 13 hours of worked (general and overtime hours) in a day. Further, no weekly excessive working hours noticed in this month. February 2020 (random month): 07 out of 16 randomly selected employees worked more than the legal daily overtime limits (02 hours in a day) and highest 13 hours of worked (general and overtime hours) in a day. Further, no weekly excessive working hours noticed in this month. However, no excessive overtime work notice in other reviewed sample month September 2020 [Ref: Gazette Notification No. 40.00.0000. 016.30.008.17.51, published in September 15, 2020 and Bangladesh Labor Act 2006, section 100 & 102]

6.4 - It was noted that employees weekly holiday was not ensured as per law for some employees in July 2020 and February 2020 sample months as follows: 12 out of 16 randomly selected employees worked on their weekly holidays on July 24 & 31, 2020 and the highest consecutive days of work were 14 days. Further, 06 out of 16 randomly selected employees worked on their weekly holidays on February 14, 2020 and the highest consecutive days of work were 13 days. Though factory management provided overtime payment for work on those days, but not provided any substitute holiday. However, no weekly holiday work found in the sample month of September 2020. [Ref: Bangladesh Labor Act 2006, section 103]

Remarks from Auditee:

We would do corrective action accordingly.

Performance Area 7 : Occupational Health and Safety

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: B

Deadline date:31/03/2021

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

Overall evident show that the auditee partially fulfills the requirements of this performance area as 08 questionnaires (7.1, 7.3, 7.4, 7.5, 7.6, 7.10, 7.11 & 7.17) have been marked as a partially. The reason behind "yes, partially and N/A" marking has mentioned as: #COVID-19 To ensure health and safety of their employees, below some cautionary measures have been taken by factory against COVID-19. To ensure, proper cautionary measures factory management is providing awareness training regarding COVID-19 regularly to all their employees. Also, posted awareness posters in the floor. They are distributing leaflet to their employees. During the workers' entry to the factory, they check their temperature by thermal scanner, ask them to wash hands and enter factory with maintaining social distance. Further, they ensure workers are using required PPE. If anyone was found showing symptoms of infection, the person must be separated from others for treatment. They washed the vehicles before entering the factory premises. They are washing all places to sanitize time to time. In production floor area they've provided hand sanitizer. They ensured required support to their medical team. The facility continuing the business partially in line with the regulations on occupational health and safety relevant for its activity. Facility management is trying to develop their health and safety condition. Facility management has a policy on health and safety. The facility continuing the business partially in line with the regulations on occupational health and safety relevant for its activity. Facility has regularly recorded accident and injury, and also analysis has conducted properly as per BSCI requirement. However, facility did not send notice to labor office to inform that injury case as per local legal requirement as well as no system found in place at the facility to report the near miss injuries that enable the workers to report immediately to their superior. Facility has assessed risk for most of the areas but still some areas are needing to be conducted. Facility management has allocated adequate human and financial resources to ensure identification of risks. Workers of facility are free to move during any emergency evacuation without seeking any permission. Facility management has providing the training on different types of topics i.e. health and safety, use of Personal protective equipment, firefighting, first aid and emergency drills, etc. Facility management provides the PPEs to all its workers by its own cost. Most of the section's workers were found using PPE during the audit. Facility has developed emergency procedure which has been displayed to the notice boards. Facility also visually displayed the emergency procedure for the easy understanding. Facility management is conducting fire drills in regular interval but did not notify the fire service and civil defense authority and factory inspector prior 15 days of conducting fire drills. Facility management has arranged training for fire fighters, but facility has insufficient fire fighters as required by law. In addition, their knowledge was inadequate regarding using of firefighting equipment, procedure of firefighting, use of fire extinguishers etc. Facility has kept firefighting equipment to all required places where needed and maintenance has been also done on regular basis. During the audit, no exit door was found in blocked or locked condition. All exit was found clearly marked and illuminated with back-up power system. Evacuation plans has been posted in local language and it is placed showing the closest escape routes including emergency exits. Childcare room and medical room were found properly separated but breast-feeding area not found in the childcare room. Facility management is providing pure drinking water to its workers. Safety guard or barrier of most of the machines were found properly. facility management has done emergency procedure of trauma and serious illness. Furthermore, interviewed workers and responsible persons have found adequate knowledge about trauma and serious illness. Facility management providing training and make maintenance schedule to ensure all safety guard in appropriate place. Seating capacity in workers dining was sufficient, it was clean and hygienic. Canteen was available. All the toilets were found clean and maintained properly by the management. 7.23 and 7.24 is marked as "N/A" since facility management do not have provision for transport and housing facility and it is not mandatory by law also.

7.1 - It was noted that a) the facility management did not involve workers representatives and workers in the drafting and enforcement of the internal audit and others procedure on occupational health and safety. b) Facility has a childcare facility for the workers. However, facility doesn't have separated and screen covered area in the childcare room for the breastfeeding mothers so that they can lactate their babies maintaining secrecy and modesty. Further, facility did not recruit any child care attendee for childcare facility. However, no child was found in the childcare room. [Ref: Bangladesh Labor Law 2006, section 94].

7.3 - It was noted that the facility management did not assess the risk on mechanic room, store, warehouse, medical room, child care room, canteen, dining, boiler area, generator area, exhaust fan, distribution board, yarn store, finished goods area, staircase etc. As well facility did not train the relevant employees to identify better ways to protect workers from hazard or accident. b) Facility management didn't conduct any health check-up at least once a year for the workers those are doing hazardous job like; electricians, canteen boy, spot remover operator, knitting section workers etc. [Bangladesh Labor Rules-2015, Rule-68 (1, 4, 5, 6)]

7.4 - It was noted that, facility did not involve safety committee member to conduct risk assessment.

7.5 - It was noted that, a) facility management does not have required number of fire fighters trained from respective authority. Current facility management has no trained fire fighters from Bangladesh Fire Service and Civil Defense whereas the requirement is 29 considering current manpower 159. However, facility internally trained 30 firefighters. b) Randomly interviewed 03 out of 05 fire fighters found less knowledge about their roles and activities regarding firefighting procedure like- how to use firefighting equipment, procedure of firefighting, use of fire extinguishers etc. c) Facility management did not notify the fire service and civil defense authority and factory inspector prior 15 days of conducting fire drills in the last one year. [Bangladesh Labor Rules 2015, Rule-55 (10 & 14)]

7.6 - It was noted that, facility did not provide back support chair for the sewing section workers for agronomic support which may cause backbone problem in future. b) 05 out of 10 long standing workers were not using foot mat for agronomic support during working hour at finishing section. [Ref: Bangladesh Labor Rules, Rule- 67(2)]

7.10 - It was noted that, a) facility did not send notice to labor office to inform that injury case as per local legal requirement. [Ref: Bangladesh Labor Rules 2015, Rule-70]. b) No system found in place at the facility to report the near miss injuries that enable the workers to report immediately to their superior.

7.11 - It was noted that, facility has 01 electronic mini boiler. However, no NOC (No Objection Certificate) found available from the respective authority to operate the boiler. Note that, facility has not applied for the NOC to the respective authority. [Ref: Bangladesh Boiler Act 1923, Section-06]. b) Facility has one generator (80 KVA). However, no generator license found available to operate the generator from the respective authority during audit day. [Bangladesh Energy Regulatory Commission Act 2003, Section-27(a)].

7.17 - It was noted that, compressor found setup in the building 02 without any safety barrier.

Remarks from Auditee:

We would do corrective action accordingly.

Performance Area 8 : No Child Labour

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: A

Deadline date:

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

During audit, it was noted that the auditee fulfills all the requirements of this performance area. The reason behind "yes" marking has mentioned as: 8.1: No child workers were observed in the factory premises. All workers are hired by the Human Resource Department only and minimum hiring age of the factory is 18 years of old. The factory has a policy on prohibition of child labor which stated that the factory does not permit child labor. 8.2: The factory management preserves a copy of Birth Certificates, Educational Certificates and National ID Card in each worker's personal file for better verification of age. All workers having identification card. Person in charge in human resource is adequately trained on age verification process. 8.3: Factory management has a systematic analysis of circumstance of child labor occur. 8.4: Factory management has good understanding on child labor eradicated and if found then how we rehabilitated into society. Facility management has developed child labor policy and child labor remediation policy.

Remarks from Auditee:**Performance Area 9 : Special protection for young workers**

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: A

Deadline date:

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

Overall overview shows that, the auditee fulfills the requirements of this performance area. The reason behind "N/A and yes" marking has mentioned as: During the plant tour, no young-looking workers were observed in the factory premises. Minimum hiring age of the factory is 18 years of old. Factory management has verified the age of the workers during recruitment. However, factory management has developed a detailed written policy and procedure if they ever find any young workers. They have clearly mentioned in their policy that they would comply with local law in terms of working hour, health & safety requirements for young workers. Point 9.6 is not applicable as there is no young-looking workers were observed in the factory.

Remarks from Auditee:**Performance Area 10 : No Precarious Employment**

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: A

Deadline date:

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

During audit it was observed that, the auditee fulfills the all requirements of this performance area. The reason behind " yes" marking has mentioned as: 10.1: Factory management respects social security of workers. They maintained work cycles properly. Through interview with workers and documents review it was identified that no workers been deprived by factory management. Factory management has included workplace disciplinary practices including appealing procedures in the worker's contract forms. Also, workers job descriptions are described in the employment conditions and already communicated to the newly joined workers. The factory management recruits the workers through advertisement or internal reference. Workers are selected based on the result of the examination taken on working skill of workers during the recruitment process. Factory management has not recruited any worker on temporary or contract basis. 10.2: Factory management issues appointment letter to the all workers and ID card to all the employees of the factory and ID card found in local language. The personal files of workers are maintained by the factory. Also, nominee form found in prescribed format employees' personal files. 10.3: Workers service book is updated. Workers job contract included with description of duties and responsibilities in the personal file. Factory management is providing worker's handbook to employees. 10.4: Factory management has good understanding additional risk for arrangements of apprenticeship schemes, seasonal workers.

Remarks from Auditee:**Performance Area 11 : No Bonded Labour**

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: A

Deadline date:

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

It was noted that the auditee fulfills the all requirements of this performance area. The reason behind " yes and N/A" marking has mentioned as: Factory management does not engage any force labor, bonded labor. They developed a well procedure of no bonded labor. Manager and supervisor level were well aware on bonded labor policy. Employees are free to leave factory and no restriction on workers to free movement in the premises. No pressure from security guards to hold workers once they get authorized leave from management. During interview, workers confirmed that all of their dues correctly paid in case they want to leave factory for better opportunity. During documents review no evidence of any punishment were found and selected sampled workers are found well aware on disciplinary procedure of the factory. Question 11.2 marked as N/A, as there is no migrant workers found working in the factory during audit day.

Remarks from Auditee:

Performance Area 12 : Protection of the Environment

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: A

Deadline date:31/07/2021

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

During audit, it was observed that the auditee partially fulfills the requirements of this performance area as 01 questions (12.5) has been marked as a partially. The reason behind "yes and partially" marking has mentioned as: 12.1: Factory management has assessed environmental impact assessment by one of the third-party service provider company. As per the assessment report, no significant impact was identified by existing production process. 12.2: Environmental policy and procedure is up to date. Workers aware of the company policy and procedures for waste management. 12.3: No legal permit of environmental aspect is required from department of environment based on the nature of production process. 12.4: The facility has managed all kinds of waste including packaging materials as required like stored by type and hazard in separate designated area. No wastages were found in open place at the factory. 12.5: Factory management understand the importance of proper water management. Factory management has mentioned that they will introduce a system to preserve natural water resource (recycling practices, preserve rain water etc.) to ensure better environment in the premises and reduce pressure on ground water but implementation on the same is not identifiable. However, facility has yet to be conducted risk assessment on water waste reduction. However, management is provided awareness on water waste reduction through some awareness session to employees.

12.5 - It was noted that a) factory management has not conducted any risk assessment on water waste reduction. b) Facility did not have any procedure to preserve natural water resource (recycling practices, preserve rain water etc.) to ensure better environment in the premises. However, facility management is planning to do so. c) facility management did not obtain permission for use of extracting the grounding water from the respective authority. However, others relevant permission found available. [Bangladesh Water Act 2013, section- 24 (1)]

Remarks from Auditee:

We would do corrective action accordingly.

Performance Area 13 : Ethical Business Behaviour

Full Audit [Audit Id - 194726] Audit Date: 12/10/2020 PA Score: A

Deadline date:

GOOD PRACTICES:

No good practice has identified under this performance area.

AREAS OF IMPROVEMENT:

It was noted that the auditee fulfills the all requirements of this performance area. The reason behind "yes" marking has mentioned as: Factory management has developed an Anti-Bribery Policy. During audit, no corruption or bribery related issues were noticed from the interviewed workers. Facility has conducted anti-corruption risk assessment and provided training to all the identified department like store, merchandising, purchase etc. Also, facility has reward system to maintain ethical behavior.

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	12/10/2020	194726	D	C	A	C	A	D	B	A	A	A	A	A	C	

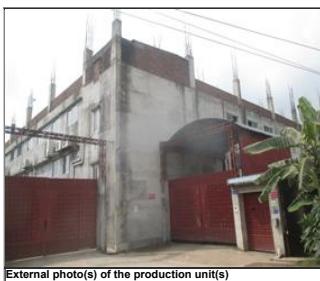
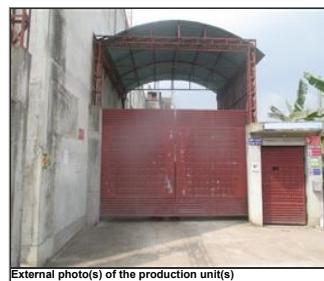
**Producer Photos**External photo(s) of the production unit(s)
Main building view.JPGExternal photo(s) of the production unit(s)
Main gate.JPGPhoto first aid facilities
First aid box.JPGPhoto first aid facilities
First aider.JPGPhoto first aid facilities
Medical room.JPGPhoto of fire safety equipment
Emergency exit sign and PA System.JPGPhoto of fire safety equipment
Emergency light.JPGPhoto of fire safety equipment
Evacuation plan.JPGPhoto of fire safety equipment
Fire alarm switch.JPGPhoto of fire safety equipment
Fire extinguisher.JPGPhoto of fire safety equipment
Fire hose pipe demonstration.JPGPhoto of fire safety equipment
Fire hose pipe.JPGPhoto of fire safety equipment
Firefighter team.JPGPhoto of fire safety equipment
Firefighting equipment.JPGPhoto of fire safety equipment
Gong bell.JPG



Photo of fire safety equipment
Smoke detector.JPG



Photo of non-conformity
Long standing workers were not using foot mat.JPG



Photo of non-conformity
Breastfeeding area not found in the child care room.JPG



Photo of non-conformity
Sewing section workers were working without back support.JPG



Photo of non-conformity
Compressor found without safety barrier.JPG



Photo of the canteen (if applicable)
Canteen.JPG



Photo of the canteen (if applicable)
Dining.JPG



Photo of the code of conduct on display
amfori BSCI Code of Conduct.JPG



Photo of the inside of the main production hall
Cutting section.JPG



Photo of the inside of the main production hall
Electric mini boiler.JPG



Photo of the inside of the main production hall
Finished goods area.JPG



Photo of the inside of the main production hall
Finishing section.JPG



Photo of the inside of the main production hall
Generator.JPG



Photo of the inside of the main production hall
Grievance box.JPG



Photo of the inside of the main production hall
Knitting section.JPG



Photo of the inside of the main production hall
Policy board.JPG



Photo of the inside of the main production hall
Power Distribution board.JPG



Photo of the inside of the main production hall
Pressing section.JPG



Photo of the inside of the main production hall
Pure drinking water point.JPG



Photo of the inside of the main production hall
Sewing section.JPG



Photo of the personal protection equipments (if applicable)
Cutterman using PPE.JPG



Photo of the personal protection equipments (if applicable)
Spot remover operator using PPE.JPG



Photo of the sanitary facilities
Toilet.JPG