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|-----------------------------------|---|
| Auditee :                         | <b>ABC Footwear Industries Ltd.</b>                                     |
| Audit Date From :                 | <b>30/09/2020</b>   |
| Audit Date To :                   | <b>30/09/2020</b>   |
| Expiry Date of the Audit :        | <b>Please refer to the producer profile in the amfori BSCI platform</b> |
| Auditing Company :                | <b>TUV SUD</b>  |
| Auditor's Name(s) :               | <b>Md. Aulad Hossain(Lead), Fuara Sultana, A F M Amin Sharif</b>        |
| Auditing Branch (if applicable) : | <b>TUV SUD Bangladesh (Pvt.) Ltd.</b>                                   |

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This is an extract of the on line Audit Report. The complete report is available in the amfori BSCI Platform.  
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This is an extract of the amfori BSCI Audit Report, which is available in the amfori BSCI Platform. © amfori, 2018 - The English version is the legally binding One.

Rating Definitions



| Rating                                  | A combination of ratings per Performance Area where:  | Consequence   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|
| <p><b>A</b><br/><b>Very Good</b></p>    | <ul style="list-style-type: none"> <li>• Minimum 7 Performance Areas rated A</li> <li>• No Performance Areas rated C, D or E</li> </ul> <p>These are three examples:</p> <table border="1" style="width: 100%; text-align: center;"> <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 | <p>The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit.</p>                                   |
| 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 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| <p><b>B</b><br/><b>Good</b></p>         | <ul style="list-style-type: none"> <li>• Maximum 3 Performance Areas rated C</li> <li>• No Performance Areas rated D or E</li> </ul> <p>These are three examples:</p> <table border="1" style="width: 100%; text-align: center;"> <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 | <p>The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit.</p>                                   |
| 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 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| <p><b>C</b><br/><b>Acceptable</b></p>   | <ul style="list-style-type: none"> <li>• Maximum 2 Performance Areas rated D</li> <li>• No Performance Areas rated E</li> </ul> <p>These are three examples:</p> <table border="1" style="width: 100%; text-align: center;"> <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 | <p>The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days.</p> |
| 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 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| <p><b>D</b><br/><b>Insufficient</b></p> | <ul style="list-style-type: none"> <li>• Maximum 6 Performance Areas rated E</li> </ul> <p>These are three examples:</p> <table border="1" style="width: 100%; text-align: center;"> <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>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 | A | D | D | D | A | A | A | B | B | B | C | C | C | D | D | D | E | D | D | D | D | D | D | D | E | E | E | E | E | E | <p>The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days.</p> |
| 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 | E | E | E | E | E | E |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| <p><b>E</b><br/><b>Unacceptable</b></p> | <ul style="list-style-type: none"> <li>• Minimum 7 Performance Areas rated E</li> </ul> <p>These are three examples:</p> <table border="1" style="width: 100%; text-align: center;"> <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 | <p>amfori BSCI Participants shall closely oversee the auditee's progress as the producer may represent a higher risk than other business partners.</p>     |
| 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 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| <p><b>Zero Tolerance</b></p>            | <p>A Zero Tolerance issue was identified (see amfori BSCI System Manual Part V – Annex 5: amfori BSCI Zero Tolerance Protocol)</p>  | <p>Immediate actions are required. The amfori BSCI Zero Tolerance Protocol is to be followed.</p> |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |

**Main Auditee Information**

|                             |  |                 |   |
|-----------------------------|--|-----------------|---|
| Name of producer :          | <b>ABC Footwear Industries Ltd.</b>          |                 |   |
| DBID number :               | <b>397569</b>                                |                 |   |
| Audit ID :                  | <b>194149</b>                                |                 |   |
| Address :                   | <b>Zirabo, Ashulia, Savar Dhaka-1341</b>     |                 |   |
| Province :                  | <b>Dhaka</b>                                 | Country :       | <b>Bangladesh</b>                       |
| Management Representative : | <b>Mr. Md. Abu Hanif-Manager- Compliance</b> |                 |   |
| Contact person:             | <b>Md. Abu Hanif</b>                         | Sector :        | <b>Non-Food</b>                         |
| Industry Type :             | <b>Textiles, clothing, leather</b>           | Product group : | <b>Footwear (including sport shoes)</b> |
| Product Type :              | <b>Shoe, Bag &amp; Leather Goods items</b>   |                 |   |

**Audit Details**



|  |   |  |
|--|---|--|
| Audit Range :  | <input type="checkbox"/> Full Audit                 | <input checked="" 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 |
| B                                | B    | A    | C    | C    | A    | B    | A    | A    | A     | A     | A     | A     |

**Executive summary of audit report**

As per request from amfori BSCI Member, TUV SUD Bangladesh (Pvt.) Ltd. has conducted the follow-up audit in ABC Footwear Industries Ltd. The company located at Zirabo, Ashulia, Savar, Dhaka 1341, Bangladesh. Before this follow-up audit, another full audit was conducted on January 20, 2020 and overall result of that audit was "D". Hence the follow up audit was conducted on September 30, 2020. The facility was started its operation in 2010 at the same place. The total area of the factory is about is 1,15,000 square feet and total production area used by the factory is 98,000 square feet. The production capacity of the company for shoes are 40,000 pairs and bag are 30,000 pieces per month. The main product manufactured by the factory are shoe, bag and leather items.

The main production processes are listed as follows: Cutting> sewing> skiving > stamping > lasting> out sole> finishing  
However, some basic information about the factory are gathered by the auditor during audit which are given below:

In the factory premise there is 01 building (05 storied). Current floor layout of the factory is as follows:  
Ground floor is used as Child care room, Medical room, cutting section, skiving section (Bag), Bonded warehouse, lasting section, finishing section, Spray area, Power generator room, Compressor room, Electrical substation, Wastage keeping are, security post.  
Mezzanine floor is used as store, Office, Ansar rest room, kitchen.  
First floor is used as Sewing section of bag, Edge color section, Quality and finishing section of Bag, Sample section of Bag.  
Second floor is used as Sewing section of shoe, Sample section of Shoe, Conference room, Preparation area, Office, out sole section, Skiving section of shoe.  
Third floor is used as Packing section, Finished goods area, X ray room, Humidity room, Warehouse.  
Fourth floor is used as Workers dining area, Store, Lining cutting of Bag, Security Rest room, Vacant 40%.  
Roof top is used as Security rest room, Senior staff dining area, Vacant 50%.

The audited factory runs its operation in 01 shift start from 08:00 am to 05:00 pm with one-hour lunch break started from 01:00 pm to 02:00 pm. Security section work activity is carried out in 03 shifts; starts from 06:00 am to 02:00 pm; 02:00 pm to 10:00 pm; 10:00 pm to 06:00 am (1-hour meal break). Normal working days are from Saturday to Thursday. Factory remains closed on Friday. Facility has got approval of general working hours from labor office and yearly declared leaves are posted on notice board by the management complying with government holidays requirements. Electrical time keeping system is used for maintaining IN and OUT times. Employees receive wages monthly by bank. As per management statement, facility has no peak off peak season in terms of intensity of production rather round the year same.

Audit Process: 03 auditors named Md. Aulad Hossain- Lead Auditor (APSCA Number- RA 21701688), Fuara Sultana- Member Auditor (APSCA Number- RA 21703441) and A F M Amin Sharif (Member Auditor)- (APSCA Number- RA 21703440) on September 30, 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 September 30, 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. Md. Abu Hanif- Manager- Compliance, Mr. Masud Khan- Deputy General Manager- Production, Mr. Md. Shamim al Hossen Chowdhury – Officer- Admin and compliance, Mr. Md. Saifuzzaman Sajib- Assistant Manager- Human resource and Compliance, Ms. Nurunnahar Khatun- Welfare Officer and Mr. Md. Riazul Islam- Vice President of Participation Committee were present in the opening meeting.

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 20 employees randomly for interview.

Post to these processes, after that, 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. 20 attendance/time records and salary sheets of the selected employees from the month period of August 2020 (most recent month), June 2020 (random month) and March 2020 (random month).

On same day auditor conducted the closing meeting after completion of entire audit process (site tour, interview with the workers and management interview, document review). The same persons mentioned in opening meeting were attended in the closing meeting management with workers representative. Finally, Mr. Md. Abu Hanif- Manager- compliance and Mr. Md. Riazul Islam – 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 audit. Further, they have agreed with the areas of improvements identified during this follow up 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.

The below document is not applicable for this facility.

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

**Ratings Summary**



| <b>Auditee's background information</b> |   |   |  |
|---|---|---|--|
| Auditee's name :                        | <b>ABC Footwear Industries Ltd.</b>                 | Legal status :  | <b>Private Limited Company</b>                         |
| Local Name :                            | <b>এবিসি ফুটওয়্যার ইন্ডাস্ট্রিজ লিঃ</b>            | Year in which the auditee was founded :                     | <b>2010</b>  |
| Address :                               | <b>Zirabo, Ashulia, Savar</b>                       | Contact person (please select) :                            | <b>Md. Abu Hanif</b>                                   |
| Province :                              | <b>Dhaka</b>  | Contact's Email :   | <b>admin@bbjabc.com</b>                                |
| City :                                  | <b>Dhaka-1341</b>                                   | Auditee's official language(s) for written communications : | <b>Bangla</b>  |
| Region :                                | <b>South Asia</b>                                   | Other relevant languages for the auditee :                  | <b>English</b>   |
| Country :                               | <b>Bangladesh</b>                                   | Website of auditee (if applicable) :                        | <b>www.abcfootwear.org</b>                             |
| GPS coordinates :                       | <b>Latitude: 23.9097374   Longitude: 90.3100848</b> | Total turnover (in Euros) :                                 | <b>6228594.42</b>                                      |
| Sector :                                | <b>Non-Food</b>                                     | Of which exports % :  | <b>100.00</b>  |
| Industry :                              | <b>Textiles, clothing, leather</b>                  | Of which domestic market % :                                | <b>0.00</b>  |
| If other, please specify :              | <b>None</b>   | Production volume :   | <b>Shoe- 40000 pairs and Bag- 30000 pcs per month.</b> |
| Product Group :                         | <b>Footwear (including sport shoes)</b>             | Production cost calculation :                               | <b>Yes</b>   |
| If other, please specify :              | <b>None</b>   | Lost time injury calculation cost :                         | <b>Yes</b>   |
| Product Type :                          | <b>Shoe, Bag &amp; Leather Goods items</b>          |   |  |

| <b>Auditee's employment structure at the time of the audit</b> |                     |  |          |
|--|---------------------|--|----------|
| Total number of workers :                                      | <b>930</b>          | Total number of workers in the production unit to be monitored (if applicable) : | <b>0</b> |
|  | <b>MALE WORKERS</b> | <b>FEMALE WORKERS</b>  |          |
| Permanent workers  | <b>317</b>          | <b>468</b>   |          |
| Temporary workers  | <b>0</b>            | <b>0</b>   |          |
| In management positions  | <b>17</b>           | <b>3</b>   |          |
| Apprentices  | <b>0</b>            | <b>0</b>   |          |
| On probation   | <b>38</b>           | <b>87</b>  |          |
| With disabilities  | <b>0</b>            | <b>0</b>   |          |
| Migrants (national citizens)                                   | <b>0</b>            | <b>0</b>   |          |
| Migrants (foreign citizens)                                    | <b>0</b>            | <b>0</b>   |          |
| Workers on the permanent payroll                               | <b>372</b>          | <b>558</b>   |          |
| Production based workers                                       | <b>0</b>            | <b>0</b>   |          |
| With shifts at night   | <b>4</b>            | <b>0</b>   |          |
| Unionised  | <b>0</b>            | <b>0</b>   |          |
| Pregnant   | <b>-</b>            | <b>0</b>   |          |
| On maternity leave   | <b>-</b>            | <b>0</b>   |          |

**Finding Report**



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

1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: B

Deadline date:31/08/2021

**GOOD PRACTICES:**

No good practice has identified under this performance area

**AREAS OF IMPROVEMENT:**

Overall comments: During audit, it was observed that the auditee partially fulfills the requirements of this performance area as 01 questionnaire (1.1) has 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 it 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 and the implement the code in the factory, and he has decision-making independency as well as budget allocation power to implement amfori BSCI requirements at the facility. Moreover, he has gone through amfori BSCI system manual to get comprehensive knowledge on amfori BSCI core requirements. 1.3: Facility management have good overview of the significant business partner and their alignment with the amfori BSCI requirement. Facility management prepared a list of their suppliers and stake holders. Facility has communicated amfori BSCI Code of Conduct and Terms of Implementation with all the suppliers. Furthermore, facility has procedure to handle the complaint raised by community peoples. Also, facility has a policy relating to supplier selection. 1.4: Factory management has developed a capacity plan and facility management has done contingency plan as per required. 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 - Not corrected: During this follow up audit it was noted through document review and management interview that, some area of improvements is still identified under different Performance Areas, which is the evidence of gaps identified in the overall management system against amfori BSCI COC requirements.
- 1.2 - Corrected: During this follow up audit it was noted that facility has appointed a senior Management representative who actively works towards adhering to the amfori BSCI Code of Conduct as part of the business culture, and he has decision-making power and budgeting authority.
- 1.4 - Corrected: During this follow up audit it was noted that facility has done production capacity planning properly. And no excessive overtime found within sample months. Also, facility developed contingency plan by including per unit production cost, per unit worker cost.

**Remarks from Auditee:**

We will take corrective action accordingly.

Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: D

Deadline date:30/06/2020

Good practices

Nil

Areas of improvement

The overall observation shows that the auditee partially fulfils requirements of this Performance Area-1 (Social Management System and Cascade Effect). The facility has assigned a senior management to implement the amfori BSCI COC and planning department are planning for production. The auditee has set up a management system for implementation of the AMFORI BSCI Code of Conduct into day-to-day business practices. Facility has developed accident and emergency procedure and Facility has provided training to the workers and staffs on OHS, amfori BSCI COC etc. Facility has grievance policy and procedure and placed suggestion boxes inside the toilets area. However still there are some gaps for continuous improvement and monitoring system.

- 1.1 - a) Facility is in process of implementation of amfori BSCI COC currently facility did not calculate living wage, lack of fire equipments, excessive working hour, no air, noise test, fire license coverage, building construction approval, sufficient awareness was not found from the workers, production supervisors, workers' representatives on training of amfori BSCI COC and gap found in using machine safety guard and PPE. [As per amfori BSCI COC] b) Factory do not provide pay slip to the workers. (as per Bangladesh Labor Rules 2015, Rule 111 (3))
- 1.2 - Facility has appointed senior management representative for implementing amfori BSCI COC but no formal team was formed comprising staffs of different sections assigning their responsibility for proper implementation of amfori BSCI code. [As per amfori BSCI COC]
- 1.4 - It was noted through production capacity planning review and management interview that facility did not develop actual/realistic capacity planning to avoid excessive overtime. As a result, it was not identified that how much overtime would be added to match the delivery time. In addition, facility has a contingency plan but facility did not develop it by including per unit production cost, per unit worker cost. [As per amfori BSCI COC]

Remarks from Auditee

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|---|--------------------------|
| <b>Performance Area 2 : Workers Involvement and Protection</b>  |                          |
| 1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: B  | Deadline date:31/03/2021 |
| <b>GOOD PRACTICES:</b><br>No good practice has identified under this performance area.  |                          |
| <b>AREAS OF IMPROVEMENT:</b><br><p>Overall comments: The overall observation shows that the auditee partially fulfills the requirements of this performance area as 02 questionnaires (2.2 &amp; 2.4) have been marked as partially. The reason behind "partially and yes" marking has mentioned as:</p> <p>2.1: Factory management was formed a workers Participation Committee (PC) through election process on July 2018. 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.</p> <p>2.2: Facility developed vision, mission and objectives for the company and current vision, mission, objectives and long-term goal is in line with the BSCI Code. Facility has long -term goal of the factory by which it will reflect a step-by-step approach toward sustainable improvement, but all the performance area was not covered like "workers involvement and protection". Factory management conducted risk assessments to identify appropriate protective measures for workers.</p> <p>2.3: Factory management is providing the training on company's rules, legal rights and other safety issues. Interviewed workers of the factory were found well aware about their legal rights and responsibilities, minimum wage, their entitlement of leave in a year, compensation for long term service, annual leave settlement, maternity benefit, etc. 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.</p> <p>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. However, some of interviewed workers of the factory were found not well aware about the requirements of amfori BSCI Code of Conduct.</p> <p>2.5: Facility has grievance policy and procedure for the workers. And, the policy was in line with amfori BSCI requirements. As the policy has define how to deal with "potential conflict of interest" and "Appeal process in the case of dissatisfaction". Also, sampled interviewed employees found well aware about grievance procedure.</p> <p>2.2 - New findings: It was noted that, there is long -term goal of the factory by which it will reflect a step-by-step approach toward sustainable improvement, but all the performance area was not covered like "workers involvement and protection".</p> <p>2.4 - Not corrected: During this follow up audit it was noted that still 12 out of 20 interviewed employees and mid-level management found less aware about BSCI COC requirements.</p> <p>2.5 - Corrected: During this follow up audit it was noted that facility has conducted grievance satisfaction survey to their workers.</p> |                          |
| <b>Remarks from Auditee:</b><br>We will take corrective action accordingly.   |                          |
| Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: B   | Deadline date:30/06/2020 |
| <u>Good practices</u>   |                          |
| Nil   |                          |
| <u>Areas of improvement</u>   |                          |
| <p>Overall observation shows that the facility partially complies with the requirements of this performance area. The facility has developed freedom of association policy. The facility has formed participation committee where members were elected by the management to ensure two way communications. However still there are some gaps for continuous improvement and monitoring system.</p> <p>2.4 - Facility management has provided training to the staff and workers on amfori BSCI code of conduct but enough awareness was not found from the workers, production supervisors, workers' representatives regarding amfori BSCI COC. [As per amfori BSCI COC]</p> <p>2.5 - Though the facility has policy and procedure on grievance for workers and communities but no grievance satisfaction survey has conducted yet. [As per amfori BSCI COC]</p>   |                          |
| <u>Remarks from Auditee</u>   |                          |

| <b>Performance Area 3 : The rights of Freedom of Association and Collective Bargaining</b>  |                          |
|---|--------------------------|
| 1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: A  | Deadline date:           |
| <b>GOOD PRACTICES:</b>  |                          |
| <b>AREAS OF IMPROVEMENT:</b>  |                          |
| As there was no finding in this performance area in previous audit, so marked this performance area as not rated during follow up audit.  |                          |
| <b>Remarks from Auditee:</b>  |                          |
| Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: A   | Deadline date:           |
| <u>Good practices</u>   |                          |
| Nil   |                          |
| <u>Areas of improvement</u>   |                          |
| The overall observation shows that the auditee fulfils the requirements of this Performance area. Facility has policy and procedure of Freedom of Association and communicated this policy with the workers. Management respects workers' rights to bargain collectively. Facility has no trade union but formed Participation Committee (PC) as parallel means. Regular meetings are held between the workers' representative and the management. Workers representatives has full access to the workers in the workplace.   |                          |
| <b>Remarks from Auditee</b>   |                          |
| <b>Performance Area 4 : No Discrimination</b>   |                          |
| 1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: C  | Deadline date:31/03/2021 |
| <b>GOOD PRACTICES:</b>  |                          |
| No good practice has identified under this performance area   |                          |
| <b>AREAS OF IMPROVEMENT:</b>  |                          |
| Overall Comments: During audit, it was observed that the auditee partially fulfils the requirements of this performance area as 01 questionnaire (4.1) has been marked as a partially. The reason behind "yes and partially" marking has mentioned as: During close door interview no complaint on discrimination revealed from workers. No discrimination on hiring was found which also 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 facility in case of promotion, benefits etc. Overtime opportunity for all workers is equal. Facility management has separate policy on discrimination. Facility has posted that policy in different prominent places i.e. notice board and inside the production floor. However, facility did not conduct any periodic satisfaction surveys on the grievance mechanism, harassment, discrimination etc. to their workers. Moreover, facility management conducted an internal assessment on the most frequent grounds used for discrimination as well as most common activities through which discrimination may occur, but few other common grounds / activities like allocation of overtime, allocation of PPE, access to toilet, drinking water, dining & canteen and rights & safety of pregnant workers were not considered during the assessment. However, interviewed workers were found aware about grievance procedure. And the facility management has developed anti-discrimination policy it is comply with legal requirements. |                          |
| <p><b>4.1 -</b> New findings: It was noted that facility management has conducted internal assessment on the most frequent grounds used for discrimination as well as the most common activities through which discrimination may arise, but few other common grounds / activities like allocation of overtime, allocation of PPE, access to toilet, drinking water, dining &amp; canteen and rights &amp; safety of pregnant workers were not considered during the assessment.</p> <p><b>4.2 -</b> Corrected: During this follow up audit it was noted that facility has conducted satisfactory survey on grievance mechanism system to their employees and other external parties. Also, discrimination policy was communicated with employees through training and notice board.</p>  |                          |
| <b>Remarks from Auditee:</b>  |                          |
| We will take corrective action accordingly.   |                          |
| Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: B   | Deadline date:30/06/2020 |
| <u>Good practices</u>   |                          |
| Nil   |                          |
| <u>Areas of improvement</u>   |                          |
| The overall observation shows that the auditee partially fulfils requirements of this Performance Area. The facility has non- discrimination policy. No evidence of discrimination was found during audit, workers aware about the discrimination policy of the company. However, there is some gap identified while implementing the principle.  |                          |
| <p><b>4.2 -</b> Though facility has developed policy and procedure on discrimination to avoid discrimination but the facility did not conduct any satisfaction surveys on grievance mechanism system for employees and other external interested parties. Moreover, Policy on discrimination was not communicated with the employees. [As per amfori BSCI COC]</p>  |                          |
| <b>Remarks from Auditee</b>   |                          |

|   |                          |
|---|--------------------------|
| <b>Performance Area 5 : Fair Remuneration</b>   |                          |
| 1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: C  | Deadline date:31/01/2021 |
| <b>GOOD PRACTICES:</b><br>No good practice has identified under this performance area   |                          |
| <b>AREAS OF IMPROVEMENT:</b><br><p>Overall Comments: During this full audit, it was observed that the auditee partially fulfills the requirements of this performance area as 03 questionnaire (5.3, 5.4 and 5.6) have been marked as partially. The reason behind "yes and partially" marking has mentioned as: 5.1: Factory management is providing industry minimum wage BDT. 8000 for grade-07. Also, facility has provided increment annually. 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 not providing wage based on their skilled. Few deviations have identified on that. 5.4: factory management has taken some initiative to calculate living wages, but some gaps were found like they are not maintaining the raw data. Also, it seems they were not well aware on living wage calculation. Noted that living wages of the region is BDT 14,245 (approx.) and minimum wages is BDT 3652.50 for Grade-6 workers. In other grades, the minimum salary is higher than this and factory management are ensuring minimum wage as per law. 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 resigned benefits to resigned workers as per law. Moreover, facility have enrolled their all employees in group insurance scheme. 5.6: Few illegal deductions for overtime payment was observed from the audit process. However, workers are also getting increment as per local law.</p> <p><b>5.3 -</b> New finding: It was noted that facility management did not take into consideration the employee's skill for all the cases who work in the facility. Like- Few workers (03 out of 20 randomly checked) found working as Cutting Junior Operator in line cutting section, but those workers were designated as Cutting Helper (Grade-06). Whereas, their grade should be minimum Grade-04 as per Footwear Industry Minimum Wage Gazette 2013. [Ref: Minimum Wages Gazette for Footwear Industry 2013]</p> <p><b>5.4 -</b> Not corrected: During this follow up audit it was noted that facility has calculated living wages, but they did not ensure living wages for the workers. Note that, living wages of the region is BDT 14,465 (approx) but factory provided minimum gross wages is BDT 3652.50 for Grade-6 workers. Note that, recently (on September 08, 2020) revised minimum wage gazette has been published by Government for this sector which will be effective from September 2020 wages. And updated minimum gross wage for grade 06 will be BDT 7100.</p> <p><b>5.5 -</b> Corrected: During this follow up audit it was noted that facility management have provided compensation for long term service as well as the amount of un-availed leave to the eligible resign workers (02 out of 02 randomly checked). In addition, no new maternity case found during audit scope. However, the female worker who got less maternity payment (identified in full audit) was found backed to work in this follow up audit. Now, facility management have provided those adjusted less amount with her second installment.</p> <p><b>5.6 -</b> New finding: It was noted that facility management have made few (02 out of 20 samples) unlawful deduction on worker wages for overtime payment. For example, as per job card one worker did work 01 hour and 22 minutes after his/her regular working time (08:00am to 05:00 pm) but factory had deducted this overtime amount from his wages. As per management comment this been happened due to system error.</p> |                          |
| <b>Remarks from Auditee:</b><br>We will take corrective action accordingly.   |                          |
| Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: B   | Deadline date:30/06/2020 |
| <b>Good practices</b><br>Based on satisfactory evidence it was noted that the main auditee exceeds the expectation of this principle / performance Area-5 (Fair Remuneration) because facility provides-i. Attendance bonus 300.  |                          |
| <b>Areas of improvement</b><br><p>The overall observation shows that the auditee partially fulfils requirements of this Performance Area-5 (Fair Remuneration). The facility has developed wages and compensation policy as per law. The facility ensures minimum wages to the workers for all workers. However, still there are some gaps for continuous improvement and monitoring system that facility did not calculate living wage yet.</p> <p><b>5.4 -</b> The facility did not estimate the living standard in the region calculating their living wage to determine a potential gap between present local minimum wage and living wage and so no action plan is in place to fill the gaps. (As per amfori BSCI COC).</p> <p><b>5.5 -</b> a. 02 out of 02 resigned worker did not get earn leave and service benefit as per law during his/her resignation whose service length was more than 5 years. Note that, facility does not have provision to provide service benefit to the entitled employees yet. [As per Bangladesh Labour Rules 2015, Rules 107 &amp; Bangladesh Labour Law 2006, Section 27] b. One female worker who got maternity benefit amount BDT 28,059 instead of BDT 37,411 as she is deprived of BDT 9352 because of wrong calculation. Noted facility paid 42 days payment instead of 56 days. [Bangladesh Labour Law 2006, section 48 (1&amp;2)]</p>  |                          |
| <b>Remarks from Auditee</b>   |                          |

| <b>Performance Area 6 : Decent Working Hours</b>   |                          |
|--|--------------------------|
| 1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: A   | Deadline date:           |
| <b>GOOD PRACTICES:</b><br>No good practice has identified under this performance area  |                          |
| <b>AREAS OF IMPROVEMENT:</b><br><p>Overall Comments: During audit, it was observed that the auditee fulfills the all requirements of this performance area. The reason behind "yes" 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 overtime hours have not exceeded the legal limit. Workers get weekly holiday. 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 payroll and time records from last audit and auditor randomly checked 03 months' payroll and time records. Workers getting 01-hour lunch / rest break for all. All employees have full access of to go toilets without prior notice within working hour. Workers shared that they know about the resting breaks and this resting area quite effective. 6.4: Though randomly identified, no production workers worked in weekly day off.</p> <p><b>6.2 -</b> Corrected: During this follow up audit no excessive daily and weekly overtime notice in the sample months.</p> |                          |
| <b>Remarks from Auditee:</b>   |                          |
| Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: C  | Deadline date:30/06/2020 |
| <u>Good practices</u><br>Nil   |                          |
| <u>Areas of improvement</u><br><p>The overall observation shows that the auditee entirely respects the requirements of this Performance Area. Facility provides legally required overtime rate, the facility uses electronic time keeping system to track the workers daily in and out time, regular working hour 48 hours and overtime hour exceed per week and provides legally required weekly rest to all employees.</p> <p><b>6.2 -</b> As per Job card record reviewed, workers &amp; management interview the facility had performed excessive overtime – 13 out of 30 sample workers had worked 18 hours in a week in the month of September, 2019 (Random month ) and daily maximum working hour found 3 hours. 13 out of 30 sample workers had worked 16 to 24 hours in a week in the month of March, 2019 (Random month ) and daily maximum working hour found 12 hours. In December 2019 (Current month), working hours were found within the legal limit. (as per BSCI COC).</p>  |                          |
| <u>Remarks from Auditee</u>  |                          |

**Performance Area 7 : Occupational Health and Safety**

1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: B

Deadline date:31/03/2021

**GOOD PRACTICES:**

No good practice has identified under this performance area

**AREAS OF IMPROVEMENT:**

Overall Comments: During audit, it was observed that the auditee partially fulfills the requirements of this performance area as 09 questionnaires (7.1, 7.5, 7.7, 7.9, 7.11, 7.13, 7.17, 7.19 and 7.21) have been marked as a partially. The reason behind "yes, Not Rated and partially" marking have mentioned as: Factory management is trying to develop their health and safety condition. Factory management has a policy on health and safety. #COVID 19: To ensure health and safety of their employees, below some cautionary measures are taken by factory against COVID-19. To ensure, proper cautionary measures factory have formed a committee to monitor and handle pandemic situation. COVID-19 related awareness poster is being posted through the factory premise. Factory management is providing awareness training regarding COVID-19 regularly to all of their employees. Also, 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 shoes thoroughly. 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 including visitor vehicles. They are washing all places to sanitize all places time to time. In production floor, dining and canteen area they provided hand sanitizer. They ensured required support to their medical team. Proper social distance at production floors is being maintained. 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 further analysis has conducted to improve the occupational health and safety procedures. Facility has assessed risk for all of the areas. Facility management has allocated adequate human and financial resources to ensure identification of risks. Workers of factory are free to move during any emergency evacuation without seeking any permission. Factory management provides the PPEs to all its workers by its own cost. And all of the workers were wearing PPE during the audit. Facility has developed emergency procedure which has been displayed to the notice boards. Facility also visually displayed the accident and emergency procedure the easy understanding of general workers and guide the first aid providers. Factory management has conducted fire drills in regular interval. And they did send 15 days prior notice to the fire service and civil defense authority before conducting the fire drill. Factory 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. However, all of the interviewed fire fighters found aware about firefighting equipment and their roles and responsibilities. Facility has kept firefighting equipment to all required places where needed and maintenance has been also done on regular basis. However, all exit was found clearly marked and illuminated with back-up power system. Evacuation plans has been posted in local language. Factory management is providing pure drinking water to its workers. Safety guard most of the machine was found properly. Facility management has a policy and procedure on trauma and serious illness. But workers and responsible persons have inadequate knowledge about trauma and serious illness. Medical information has displayed where workers can get their information and support. Though factory management providing training and make maintenance schedule to ensure all safety guard in appropriate place. Factory management provided workers dining and it was clean and hygienic, and the seating arrangement is sufficient. All the toilets were found clean and maintained properly by the management. Factory management has not provided canteen facility from where workers can buy food easily with cheap cost. Only 7.24 is marked as Not Rated since factory management do not have provision for housing facility, and it is not mandatory by law.

- 7.1 - Corrected: During this follow up audit it was noted that facility developed an internal mechanism to observe the occupational health and safety condition. they also involved worker's representatives and workers in drafting and enforcement of the internal procedure on occupational health and safety. New findings: It was noted that a) some findings are identified under this Performance Area, which is the evidence of gaps identified in the overall observance of occupational health and safety system against amfori BSCI COC requirements and local law regulations. b) Facility has a childcare facility for the workers. But in childcare room no separate breast-feeding area found. Note that, no child found in the childcare room. [Ref: Bangladesh Labor Law 2006, section 94].
- 7.2 - Corrected: During this follow up audit it was noted that facility management has involved worker's representatives to identify better ways to protect workers from accident.
- 7.3 - Corrected: During this follow up audit it was noted that facility has identified risk for all areas. Workers at second floor of sewing section found obstacle free. Goods found kept in proper height and facility now using rack system. Facility management has ensured edge railing at roof top. Drinking water point found installed by maintaining proper distance from toilet area.
- 7.4 - Corrected: During this follow up audit it was noted that facility has distributed role and responsibilities among the members of safety committee.
- 7.5 - Corrected: During this follow up audit it was noted that facility management has ensured orientation training for all new recruited workers. Not corrected: It was noted that still facility management did not appoint a designated safety officer to look after fire equipment regular maintenance and provide training to the related workers. [Bangladesh Labor Rules 2015, Rule 55 (12 & 10)]. New Findings: It was noted that facility management does not have required number of fire fighters trained from respective authority. Current facility management has 120 number of fire fighters from Bangladesh Fire Service and Civil Defense whereas the requirement is 167 considering current manpower 930. [Ref: Bangladesh Labor Rules 2015 Section 55 (10 & 14)].
- 7.6 - Corrected: During this follow up audit all sections workers in the factory found using required PPE.
- 7.7 - Not corrected: During this follow-up audit it was noted that, flammable substance, dyes and some other unidentified chemical found stored in multiple location inside the production floor without MSDS, secondary containment and appropriate hazard sign. [Ref: Bangladesh Labor Rules 2015, Rule 68 (10)]. New finding: The Facility is using hazardous solvent in multiple location on the 2nd and 1st and ground floor but no eye wash station on the 1st and 2nd floor. However, facility has an eye wash station on the ground floor.
- 7.9 - New findings: It was noted that few leftover cigarettes buds were noticed in roof top rest room, which is an indication of smoking in the premise, but no caution sign found posted in that area. [Ref: Bangladesh Labor Rules 2015, Rule-66]
- 7.10 - Corrected: During this follow up audit it was noted that facility has developed a system to analyze the root cause of accident and injuries. Also, facility has procedure in place for reporting near miss injuries.
- 7.11 - Not corrected: During this follow up audit it was noted that still a) Facility has no building construction approval from concern authority for their production buildings as per law. Further, current building construction approval taken only for using 3rd floor instead of 5th floor. [Ref: Building Construction Act-1952, section 3] b) few areas found missing in Approved machine layout plan. For example, Child care room at ground floor, Sewing section of Bag, Edge color section, Quality and Finishing section of bag and sample of bag section at first floor, Workers dining area, Store, Lining Cutting section of bag at fourth floor, also Security rest room is not included in Existing machine layout. [As per Bangladesh Labour Rules 2015, Rule 353(1)] c) Facility has no generator permission from respective authority. Currently factory is using two generator having capacity of 720 KW. However, facility has already completed the payment process on September 16, 2020. [Ref: Energy Regulatory Commission Act 2003, section-27(a)]. d) Facility did not include all areas in their fire license, noted facility taken total 65,000 square feet in Fire License but total areas of production floor of the facility were 1,15,000 square feet, thus 50,000 square feet not included in Existing Fire License. [Fire Prevention and Extinguishment Act 2003, Section-4 (1)].
- 7.13 - Not Corrected: During this follow up audit it was noted that, a) still 03 of 04 electricians did not obtain competency certificate form concerned authority. [Ref: Bangladesh Labour Rules 2015, Rule 58 (9)] b) uncovered / lose electrical wiring found at wiring found in several location like on

|        |  |
|--------|--|
|        | lining cutting section, 2nd floor beside out sole section floor and ground floor alongside the power distribution board. 4 Power distribution board were checked during site tour and found that still facility management did not use ebonite sheet inside the same. [ Ref: Bangladesh Labour Rules 2015, Rule 58 (1 and 7)]                          |
| 7.14 - | Corrected: During this follow-up audit it was noted that, facility management required number of manual smoke detector found install throughout the facility with 10 smoke detector was checked randomly on different floor and all of those found active. Hose reel found install beside the Ansar rest room, checked during site tour found active.  |
| 7.16 - | Corrected: During this, follow up audit it was noted that facility has posted evacuation plan at 4th floor matching with current position  |
| 7.17 - | Not Corrected: During this follow up audit it was noted that, 20-cylinder bed sewing machine and 15 skiving machines were checked and pully cover still found missing 15 and 12 of those machines respectively. Still no proper safety barrier found at band knife machine on the fourth floor. [Ref: Bangladesh Labour Law 2006, section 63(1) D (3)] |
| 7.19 - | Corrected: During this follow up audit it was noted that facility has developed a written emergency procedure to deal with trauma and serious illness including appropriate medical facility within shortage span of time. New findings: Interviewed responsible persons have inadequate knowledge about trauma and serious illness.                   |
| 7.21 - | Not corrected: During this follow up audit it was noted that still facility did not ensured canteen facility for the workers from where they can buy light foods. [Ref: Bangladesh Labor Rules 2015 Rule 87].  |
| 7.25 - | Corrected: During this follow up audit it was noted that facility has conducted tests of humidity level, Illumination, Temperature, air, noise. Also, the measurement level found satisfactory.  |

**Remarks from Auditee:**

We will take corrective action accordingly.

Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: E

Deadline date:30/06/2020

Good practices

Nil

Areas of improvement

|        |   |
|--------|---|
|        | The overall observation shows that the facility partially complies with the requirements of this performance area-7 (Occupational Health and Safety). The facility has developed health & safety policy. The facility has assigned personnel for monitoring the health & safety. However still there are some gaps for continuous improvement and monitoring system as improper machine safety and OHS risk assessment.   |
| 7.1 -  | Factory management did not develop any proper internal mechanism to observe the occupational health and safety condition for its activities and did not involve worker's representatives and workers in drafting and enforcement of the internal procedure on occupational health and safety. [As per amfori BSCI COC].   |
| 7.2 -  | Factory management did not involve worker's representatives to identify better ways to protect workers from accident. [As per amfori BSCI COC]  |
| 7.3 -  | Following risk assessment related issues were noted- a) Facility management did not identify machine wise risk, Sample section, security rest room, Edge color section, Spray area, Outsole section, skiving section, expected mother, Fire Risk assessment, b) Workstation as around 30 to 35 workers were found partially obstructed by pillar and machine in sewing section at second floor. c) Goods are kept in storage area located at 4th floor with excessive height which may have occurred injury by falling object, d) Roof top area as there is no edge railing to protect workers from fall hazards, e) Drinking water point of 4th floor was found within six meters from the toilet area but those were not covered in existing risk assessment. [As per Bangladesh Labor Rules 2015, Schedule-4, Matters relating to safety committee (2), Bangladesh Labour Law 2006, Section 62(6) and 72(b), Bangladesh Labour Law 2006, Section-72(a), Bangladesh Labor Rules 2015, Rule 50 (2) and amfori BSCI COC]  |
| 7.4 -  | The roles and responsibilities were not distributed among the members of safety committee related with occupational health and safety as per Rule. [As per Bangladesh Labour Rules 2015, Rule 81]   |
| 7.5 -  | a) Factory did not have safety officer who will solely be responsible for maintenance of fire equipment to make them readily available for use during emergency and provide training to the related workers. (Bangladesh Labor Rules 2015, Rule 55 (12 & 10) and amfori BSCI COC) b) Facility did not ensure orientation training for all new recruited workers as because facility recruited 131 new employees during last 4 months but only 60 employees received orientation training. [As per Bangladesh Labor Rules 2015, Rule 67 (3) and amfori BSCI COC]   |
| 7.6 -  | Following PPE related findings were noted during site visit: a) Approx. 30% operators of edge color section were not using hand gloves during work. b) Approx. 25% operators were not using ear plug in lasting section located at ground floor. c) 3 out of 03 stamping operators were not using ear plug in skiving section located at second floor. [As per Bangladesh Labor Rules 2015, Rules 67 (2) and amfori BSCI COC]   |
| 7.7 -  | No MSDS, secondary containment, label provided for octane, hydraulic oil, T-798, Acrylic polymer, Fluorochemical, Ammonium hydroxide, Silicon dioxide, Season (Mix), Pigment, Filler base black, Ethyl glycol etc in Cutting section, adjacent to power generator room, spray area at ground floor, edge color section in first floor. (As per Bangladesh Labor Rules 2015, Rule 68 (10) and amfori BSCI COC)   |
| 7.10 - | Facility has no system for analyzing root cause of accident and injuries as well as no procedure in place for reporting near misses also. [As per Bangladesh Labor Rules 2015, Rule 73(1) & form-28 and amfori BSCI COC].   |
| 7.11 - | a) Facility has no construction approval from concern authority for their production buildings as per law. [As per Building Construction Act-1952, section 3 and amfori BSCI COC] b) Approved machine layout plan for few areas found missing in current layout. For instance, Child care located at ground floor, first floor which is used as Sewing section of Bag, Edge color section, Quality and Finishing section of bag and sample of bag section, fourth floor which is used as Workers dining area, Store, Lining Cutting section of bag, Security rest room is not included in Existing machine layout. [As per Bangladesh Labour Rules 2015, Rule 353(1)] c) Facility did not have license for 03 power generators having capacity 1.3 MW from the concerned authority. [As per section-27(a) of Bangladesh Energy Regulatory Commission Act 2003] d) Facility did not included all areas in their fire license, Noted facility taken total 65,000 square feet in Fire License but total areas of production floor of the facility were 1,15,000 square feet, thus 50,000 square feet not included in Existing Fire License. [Fire Prevention and Extinction Act 2003, Section-4 (1)] |
| 7.13 - | a. 03 out of 04 electricians of the facility did not have the required work permit from government concerned authority. [As per Bangladesh Labour Rules 2015, Rule 58 (9)]. b. Uncovered / lose electrical wiring found at Lining cutting section, located at fourth floor and Ansar rest room at mezzanine floor which may increase the chance of electrical hazards located at 4th floor, In addition ebonite sheet found missing in randomly checked 3 out of 3 DB board. [As per Bangladesh Labour Rules 2015, Rule 58 (1 and 7)]   |
| 7.14 - | a. No smoke detector found at Security rest room at roof top at fourth floor, Ansar rest room located at mezzanine floor, Workers dining area, store, security rest room at fourth floor, Third floor which is used as Packing section, Finished goods area, X ray room, Humidity room, Warehouse, In addition randomly checked 2 out of 6 manual smoke detectors were found inactive in Lining cutting area located at fourth floor, Ground floor and first floor respectively. However, facility management installed 20 smoke detectors in the above-mentioned places of the facility during second day of the audit. b. No fire equipment, fire hose reel and smoke detectors found in Ansar rest room and kitchen area located at mezzanine floor which is approx. 682 square feet. [As per Bangladesh Labor Law 2006, Section 62(5), Bangladesh Labour Rules 2015 Rule 55-1(d) and amfori BSCI COC]   |

- 7.16 - No evacuation plan was found at Fourth floor which is used as Worker dining area, Store, Lining cutting section of Bag and security rest room [As per Bangladesh Labour Rules 2015, Rules 55 (8) and amfori BSCI COC]
- 7.17 - Following machine safety related issues were noted during site visit: a) Approx. 20% pulley cover of heavy stitch cylinder bed Sewing machine were found missing in Sewing section at First and Second floor. b) Randomly checked 05 out of 11 pulley cover of skiving machine were missing at ground floor and second floor respectively. c) Band knife machine was found without proper safety barrier in production floor at fourth floor. [As per Bangladesh Labour Law 2006, section 63(1) D (3) and amfori BSCI COC]
- 7.19 - Facility did not develop written emergency procedures to deal with cases of trauma or serious illness to transfer for an appropriate medical facility within shortage span of time. [As per amfori BSCI COC]
- 7.21 - Facility management did not have canteen facility for the workers for taking lights foods. [As per Bangladesh Labor Rules 2015 Rule 87 As per amfori BSCI COC]
- 7.25 - Facility was not conducted tests of humidity level, Illumination, Temperature, air, noise test etc. [As per The Environment Conservation Rules 1997, section 12, schedule 02 & schedule 04 and amfori BSCI COC]

Remarks from Auditee

**Performance Area 8 : No Child Labour**

1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: A Deadline date:

**GOOD PRACTICES:**

**AREAS OF IMPROVEMENT:**  
As there was no finding in this performance area in previous audit, so marked this performance area as not rated during follow up audit.

Remarks from Auditee:

Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: A Deadline date:

Good practices

Nil

Areas of improvement

The overall observation shows that the facility has comply with the requirements of this performance area-8 (No Child Labour). Facility has child labor policy. During the audit, no child labor identified. Factory mainly employs workers above 18 years of old.

Remarks from Auditee

**Performance Area 9 : Special protection for young workers**

1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: A Deadline date:

**GOOD PRACTICES:**

**AREAS OF IMPROVEMENT:**  
As there was no finding in this performance area in previous audit, so marked this performance area as not rated during follow up audit.

Remarks from Auditee:

Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: A Deadline date:

Good practices

Nil

Areas of improvement

Overall observation shows that the facility entirely complies with the requirements of this performance area-9 (Special protection for young workers). Facility did not engage young worker in the facility as a result all question rated as not applicable.

Remarks from Auditee

| <b>Performance Area 10 : No Precarious Employment</b>   |                |
|---|----------------|
| 1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: A  | Deadline date: |
| <b>GOOD PRACTICES:</b>  |                |
| <b>AREAS OF IMPROVEMENT:</b>  |                |
| As there was no finding in this performance area in previous audit, so marked this performance area as not rated during follow up audit.  |                |
| <b>Remarks from Auditee:</b>  |                |
| Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: A   | Deadline date: |
| <u>Good practices</u>   |                |
| Nil   |                |
| <u>Areas of improvement</u>   |                |
| Overall observation shows that the facility fully complies with the requirements of this performance area. Facility provides contract letter to all employees upon employment, no false apprenticeship contract used by the facility etc.   |                |
| <u>Remarks from Auditee</u>   |                |
| <b>Performance Area 11 : No Bonded Labour</b>   |                |
| 1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: A  | Deadline date: |
| <b>GOOD PRACTICES:</b>  |                |
| <b>AREAS OF IMPROVEMENT:</b>  |                |
| As there was no finding in this performance area in previous audit, so marked this performance area as not rated during follow up audit.  |                |
| <b>Remarks from Auditee:</b>  |                |
| Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: A   | Deadline date: |
| <u>Good practices</u>   |                |
| Nil   |                |
| <u>Areas of improvement</u>   |                |
| Overall observation shows that the facility entirely complies with the requirements of this performance area11 (No Bonded Labour). Facility has implemented no forced labor policy in the facility, and during audit no forced labor identified. Factory did not recruit migrant workers as a result question 11.2 was rated as not applicable. |                |
| <u>Remarks from Auditee</u>   |                |

| <b>Performance Area 12 : Protection of the Environment</b>   |                          |
|--|--------------------------|
| 1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: A   | Deadline date:31/08/2021 |
| <b>GOOD PRACTICES:</b><br>No good practice has identified under this performance area  |                          |
| <b>AREAS OF IMPROVEMENT:</b><br><p>Overall Comments: 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: Legal permit of environmental aspect is required from department of environment and factory have updated Environmental clearance certificate. 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.) and to reduce the water waste to ensure better environment in the premises and reduce pressure on ground water but implementation on the same is not identifiable. However, facility has conducted risk assessment on water waste reduction. Management is provided awareness on water waste reduction through some awareness session to employees.</p> <p><b>12.1 - Corrected:</b> During this follow up audit it was noted that facility has developed a procedure for significant aspect and impact assessment regarding environment for its activities.</p> <p><b>12.5 - Not corrected:</b> During this follow up audit it was noted that still facility did not promote any procedure for water conservation and water waste reduction to ensure better environment in the premises. However, facility management is planning to do so.</p> |                          |
| <b>Remarks from Auditee:</b><br>We will take corrective action accordingly.  |                          |
| Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: B  | Deadline date:30/06/2020 |
| <u>Good practices</u>  |                          |
| Nil  |                          |
| <u>Areas of improvement</u>  |                          |
| <p>Overall observation shows that the facility partially complies with the requirements of this performance area-12 (Protection of the Environment). Facility has waste handling procedure. However, few gaps have been identified during implementation of this performance area.</p> <p><b>12.1 -</b> The facility did not develop any procedure for significant aspect and impact assessment regarding environment for its activities. (as per amfori BSCI CoC)</p> <p><b>12.5 -</b> The facility did not implement any program yet to promote water conservation and water waste reduction. [As per amfori BSCI CoC]</p>   |                          |
| <u>Remarks from Auditee</u>  |                          |

| <b>Performance Area 13 : Ethical Business Behaviour</b>  |                          |
|--|--------------------------|
| 1- Followup Audit [Audit Id - 194149] Audit Date: 30/09/2020 PA Score: A   | Deadline date:28/02/2021 |
| <b>GOOD PRACTICES:</b><br>No good practice has identified under this performance area  |                          |
| <b>AREAS OF IMPROVEMENT:</b><br>Overall Comments: During audit, it was observed that the auditee partially fulfills the requirements of this performance area as 01 questions (13.1) has been marked as a partially. The reason behind "Yes and partially" 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 policy on anti-corruption and assess the possible risky area of corruption and bribery, but they have yet to be communicated with workers and employees of related area. Factory management has not introduced reward system to maintain ethical behavior. However, they were well understood about severity of unethical behavior.<br><b>13.1 -</b> Corrected: During this follow up audit it was noted that facility has developed an anti-corruption policy and they also identified the possible risky area where corruption may happen. Not corrected: still no reward system has introduced to maintain ethical behavior. Also, no ethical training still provide to workers to avoid or minimize any types of corruption. |                          |
| <b>Remarks from Auditee:</b><br>We will take corrective action accordingly.  |                          |
| Full Audit [Audit Id - 173483] Audit Date: 20/01/2020 PA Score: A  | Deadline date:30/06/2020 |
| <u>Good practices</u><br>Nil   |                          |
| <u>Areas of improvement</u><br>Overall observation shows that the facility partially complies with the requirements of this performance area-13 (Ethical Business Behaviour). Facility management was transparent to provide information during audit. Facility has anti-corruption and anti-bribery policy. However, few gaps identified during the audit while implementing the requirement of this performance area.<br><b>13.1 -</b> Auditee has developed an anti-corruption policy but they did not identify the possible risky area where any types of corruption can be happened. Further no reward practice is found for the employees if someone help to detect anti-corruption inside the facility premises. In addition, no ethical training is provided to workers to avoid or minimize any types of corruption. (As per amfori BSCI COC)   |                          |
| <u>Remarks from Auditee</u>  |                          |

**Summary**



| Audit Type      | Date       | Audit Id | PA1 | PA2 | PA3 | PA4 | PA5 | PA6 | PA7 | PA8 | PA9 | PA10 | PA11 | PA12 | PA13 | Overall Rating |
|-----------------|------------|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|----------------|
| Follow-up Audit | 30/09/2020 | 194149   | B   | B   | A   | C   | C   | A   | B   | A   | A   | A    | A    | A    | A    | B              |
| Full Audit      | 20/01/2020 | 173483   | D   | B   | A   | B   | B   | C   | E   | A   | A   | A    | A    | B    | A    | D              |

**Producer Photos**



External photo(s) of the production unit(s)  
Factory building.JPG



External photo(s) of the production unit(s)  
Factory gate.JPG



External photo(s) of the production unit(s)  
Roof top.JPG



Photo first aid facilities  
First aid box.JPG



Photo first aid facilities  
Medical room.JPG



Photo of fire safety equipment  
Exit sign.JPG



Photo of fire safety equipment  
Fire extinguisher.JPG



Photo of fire safety equipment  
Fire alarm switch.JPG



Photo of fire safety equipment  
Hose rack.JPG



Photo of fire safety equipment  
Public address system.JPG



Photo of fire safety equipment  
Smoke detector.JPG



Photo of non-conformity  
Band knife machine found without safety barrier.JPG



Photo of non-conformity  
Chemicals found without MSDS secondary containment and hazard sign.JPG



Photo of non-conformity  
Ebonyite sheet not found inside of Power distribution board.JPG



Photo of non-conformity  
Leftover cigarettes buds found in roof top rest room.JPG



Photo of non-conformity  
No separte breast feeding facility found at child care room.JPG



Photo of non-conformity  
Pully cover found missing.JPG



Photo of non-conformity  
Uncovered lose electrical wiring found.JPG



Photo of the canteen (if applicable)  
Dining area.JPG



Photo of the code of conduct on display  
amfori BSCI COC posted.JPG



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



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



Photo of the inside of the main production hall  
Drinking water point.JPG



Photo of the inside of the main production hall  
Edge railing found at roof top.JPG



Photo of the inside of the main production hall  
Finished goods storage 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  
Lasting section.jpg



Photo of the inside of the main production hall  
Out sole.jpg



Photo of the inside of the main production hall  
Sewing section workers found obstacle free.JPG



Photo of the inside of the main production hall  
Sewing.jpg



Photo of the inside of the main production hall  
Skiving section.jpg

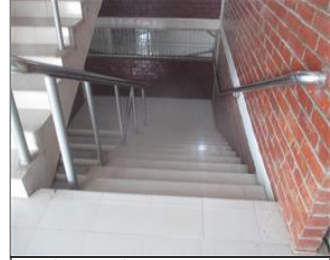


Photo of the inside of the main production hall  
Stair case.JPG



Photo of the inside of the main production hall  
Stamping section.jpg



Photo of the nursery (if applicable)  
Child care room.JPG



Photo of the sanitary facilities  
Toilet.JPG



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