
Auditee :	Osman Interlinings Ltd.
Audit Date From :	10/10/2020
Audit Date To :	10/10/2020
Expiry Date of the Audit :	Please refer to the producer profile in the amfori BSCI platform
Auditing Company :	TUEV Rheinland
Auditor's Name(s) :	Mohammad Mozibul Haque Masum(Lead), Ikbal Hossain
Auditing Branch (if applicable) :	TUV Rheinl. Bangladesh



This is an extract of the on line Audit Report. The complete report is available in the amfori BSCI Platform.
Access www.bsciplatform.org, for entitled users only.

All rights reserved. No part of this publication may be reproduced, translated, stored in a retrieval system, or transmitted, in any form or by any means electronic, mechanical, photocopying, recording or otherwise, be lent, re-sold, hired out or otherwise circulated without the amfori consent.

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

Producer : Osman Interlinings Ltd.

DBID : 387646 and Audit Id : 194545

Audit Date : 10/10/2020

Audit Type : Follow-up Audit

Main Auditee Information

Name of producer :	Osman Interlinings Ltd.		
DBID number :	387646		
Audit ID :	194545		
Address :	Plot # 81, DEPZ, Ganakbari, Savar, Dhaka		
Province :	Dhaka	Country :	Bangladesh
Management Representative :	Mr. Prashanta Kumar Moulik-Assistant Manager (HR)		
Contact person:	Mr. Prashanta Kumar Moulik	Sector :	Non-Food
Industry Type :	Accessories	Product group :	other accessories (please specify)
Product Type :	Garments Accessories (Interlinings)		

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

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
E	C	B	B	B	C	E	A	A	A	A	C	C

Executive summary of audit report

A semi-announced, follow-up audit has been conducted at "Osman Interlinings Ltd." on 10 October, 2020. The Company was founded & incorporated with the RJSC in 5 March, 2001. Factory's operations began in the year 2001 at its previous location 'FS-SFB # 04 (2nd Floor), DEPZ, Savar, Dhaka, Bangladesh' which continued till March 2011. The factory shifted to its current location 'Plot # 81, DEPZ, Ganakbari, Savar Dhaka, Bangladesh' on April 2016. 100% of the factory's production accounts for local market and has been involved in producing Garments Accessories (Interlinings). Production capacity of the audited facility is 1248000 meter per month and the total annual turnover is 10022596.81 Euros. The company obtained all necessary permit and license from EPZ authority and other legal bodies. Factory's address and name found same in audit request form, amfori BSCI database and license.

At present, there are 93 employees at Osman Interlinings Ltd. inclusive of process workers, senior management members, mid-level management staffs and factory administrative staffs. The numbers of permanent employees are 91 male and 02 female. No third party workers found employed during follow up audit. Employees received salary in cash through bank account. Orders from customers remain same round the year as reported by the Management. The facility remains open from Saturday to Thursday while Friday is a weekly holiday. Employees working hour recorded in hand written register. Daily and weekly break was ensured as per legal requirement. Working hour found more than legal limit in November 2019. Facility ensured minimum wage as per BEPZA instructions.

The audited factory comprises of 05 buildings and 01 shed covering 2044.87 square meter area. The main production processes and building descriptions are listed as below:

Base Material Quality Check>Production> Finishing (Inspection to Packing)

Building 01 (Prefabricated Structure):

Ground floor: Sticker Area, Base Materials Keeping Area, Loading / Unloading Area, Auto Bag Machine Area and Substation Room, Compressor.

1st floor: Chemical Mixing Area, Double Dot Coating, Steam Powder Dot Coating, Scatter Coating, Quality Checking Area, Inspection Area, Packing Area

2nd floor: Chemical Store & Base Material Store

3rd floor: Finished Goods Store

4th floor: Finished Goods Store

5th floor: Finished Goods Store

6th floor: Office Area, Archive Room, Sample Display Room, Kitchen, Staff Dining Area, Workers Dining Area and Lab Room, Prayer Room and Ablution Area.

Rooftop: 45% Occupied by Conference Room (Empty), Lift Room, Construction Wastage Material Store Room, Toilet and remaining 55% is Empty Space

Building 2: Generator Room

Building 3: Wastage Area

Building 4: RMS Room

Building 5: Security Room

Shed 01: Fire Pump Room

Audit Process:

Two auditors arrived at the factory 08:30 AM on the day of the audit. After opening introduction with the management a short site tour has given by the auditor for immediate check. During the opening meeting, auditors explained the scope and process of audit, briefly presented on amfori BSCI, its upgraded system and approach of audit. A floor visit was conducted with factory management after concluding the opening meeting and review of risk assessments. Followed by the opening meeting details site was given by the team auditor to check occupational health safety and other practices as per amfori BSCI COC and legal regulations. Documentation from last audit to current audit date was checked to confirm practices and corrective actions for last audit findings. Review of documentation and site tour revealed that still there are some areas for improvement. Selected workers from different production processes and different age groups were interviewed following confidentiality. Workers found comfortable with the current practices of the company and they have no negative feedback.

Management Cooperation:

Throughout the follow up audit management representative has cooperated by providing required documentation and information to assess the overall system. Management has expressed positive commitment and future plan towards implementation of the amfori BSCI. Management was found open in discussion on corrective action evidences and accepted where limitations were noticed.

Closing meeting:

A closing meeting was held at the end of the audit day, for discussion with all management representatives, including amfori BSCI MR and worker representatives regarding open and new findings in follow up audit. Onsite findings report was issued in English language. During the closing meeting factory management agreed with all the findings and signed the findings report.

Remarks:

Below documents & photos are not applicable for this factory.

1. Contractor license/permit
2. Agency labor contract
3. Inconsistencies between time and production records
4. Collective bargaining agreements
5. Dormitories
6. High-risk health and safety areas

#COVID19: i) Facility announced leave as per government instructions from 27th March to 5 May 2020. Facility ensured monthly minimum wages for the leave days. ii) Facility has arranged health safety facilities as per government instructions like wash facility at entry point, social distancing and awareness training for the workers.

Ratings Summary


Auditee's background information			
Auditee's name :	Osman Interlinings Ltd.	Legal status :	Limited
Local Name :	ওসমান ইন্টারলিংস লিঃ	Year in which the auditee was founded :	2001
Address :	Plot # 81, DEPZ, Ganakbari, Savar,	Contact person (please select) :	Mr. Prashanta Kumar Moulik
Province :	Dhaka	Contact's Email :	prashanta@osmantex.com
City :	Dhaka	Auditee's official language(s) for written communications :	Bangla & English
Region :	South Asia	Other relevant languages for the auditee :	None
Country :	Bangladesh	Website of auditee (if applicable) :	www.osmantex.com
GPS coordinates :	Latitude: 23.951504 Longitude: 90.266128	Total turnover (in Euros) :	10022596.81
Sector :	Non-Food	Of which exports % :	0.00
Industry :	Accessories	Of which domestic market % :	100.00
If other, please specify :	NA	Production volume :	1248000 meter/month
Product Group :	other accessories (please specify)	Production cost calculation :	Yes
If other, please specify :	NA	Lost time injury calculation cost :	No
Product Type :	Garments Accessories (Interlinings)		

Auditee's employment structure at the time of the audit		
Total number of workers :	93	Total number of workers in the production unit to be monitored (if applicable) : 0
	MALE WORKERS	FEMALE WORKERS
Permanent workers	91	2
Temporary workers	0	0
In management positions	7	0
Apprentices	0	0
On probation	0	0
With disabilities	0	0
Migrants (national citizens)	0	0
Migrants (foreign citizens)	0	0
Workers on the permanent payroll	91	2
Production based workers	0	0
With shifts at night	6	0
Unionised	0	0
Pregnant	-	0
On maternity leave	-	0

Finding Report



Performance Area 1 : Social Management System and Cascade Effect

1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: E

Deadline date:30/09/2021

GOOD PRACTICES:

None Observed

AREAS OF IMPROVEMENT:

Finding Closeout Comment: 1.2: (Partially closed) (i) Facility has documented job responsibilities based on assigned activities. 1.3: (Partially closed) Facility is no more using third party security guard. For security facility have 3 employees who are working in three shifts rotation basis. Appointment letter, Working hour and wages found within legal requirement. Facility has appointed person to look after implantation of amfori BSCI CoC and legal requirement. For the purpose of CoC implementation facility developed social policy and procedure and defined responsibility of concern personnel. Facility is shown partial improvement towards implementation of CoC and legal requirements as still they findings from previous audit.

- 1.1 - (i) Facility has taken corrective action for some of the previous audit findings but still there are findings related to management system & cascade effect, workers involvement and protection, the right of freedom of association and collective bargaining, no discrimination, fair remuneration, decent working hour, occupational health and safety, no precarious employment, protection of environment, ethical business behaviour. (ii) Facility did not complete stakeholders mapping.
- 1.2 - Facility did not effectively communicate the requirement of amfori BSCI CoC to the relevant decision maker, department head and management staff who involve in implementation of amfori BSCI CoC. During interview with amfori BSCI management representative, production and planning employee, HR, Compliance and welfare employee, it is evident that they had lack of understanding on amfori BSCI CoC etc.
- 1.3 - (i) No procedure in place on how the business partner will be engaged and how the social performance of the business partner will be monitored. Also facility could not start monitoring of social performance of the business partners. (ii) Facility did not communicate amfori BSCI CoC, amfori BSCI Tol with their business partners according to the significance level. (iii) Facility has supplier list of 11 suppliers with some information (i.e. name, address, product range, contact info etc), but some others important information (i.e. business relation since, significance level of supplier, number of workers, distance etc) found missing and unknown. Moreover, security service provider was not included in supply chain mapping.
- 1.4 - Facility did not have effective production planning to avoid excessive overtime. Though facility did production planning considering 8 regular work, maximum overtime hours found exceed the legal limit in the sample months of November 2019.

Remarks from Auditee:

None

Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: E

Deadline date:30/09/2020

Good practices

None Observed

Areas of improvement

Overall observation revealed that facility has nominated Mr. Prashanta Kumar Moulik-Assistant Manager (HR) as the amfori BSCI Management Representative whose primary responsibility is to implement and ensure the validation of amfori BSCI values in the organization. The auditee has calculated the cost of production realistically by including delivery time, labor cost, ect. Facility has established policies on prohibition of child labor, freedom of association, anti-corruption and anti bribery, remuneration, leave, grievance mechanism (external and internal), health and safety policy, etc. Interviewed workers were found aware of the legal rights and benefits, fire safety, etc. Despite all these, executional gaps and shortfalls had been identified. Latest date of Training on Legal Rights and Benefit: 06/10/2019

- 1.1 - (i) Facility is in progress to integrate amfori BSCI code of conduct in day-to-day business. Still some gaps have been identified on implementation in some performance areas including management system & cascade effect, workers involvement and protection, the right of freedom of association and collective bargaining, no discrimination, fair remuneration, decent working hour, occupational health and safety, no precarious employment, protection of environment, ethical business behaviour. (ii) Facility did not complete stakeholders mapping.
- 1.2 - (i) According to company organogram, specific job responsibilities are not documented and communicated to responsible person of each department specially HR, Admin & Compliance department. (ii) Facility did not effectively communicate the requirement of amfori BSCI CoC to the relevant decision maker, department head and management staff who involve in implementation of amfori BSCI CoC. During interview with amfori BSCI management representative, production and planning employee, HR, Compliance and welfare employee, it is evident that they had lack of understanding on amfori BSCI CoC etc.
- 1.3 - (i) No procedure in place on how the business partner will be engaged and how the social performance of the business partner will be monitored. Also facility could not start monitoring of social performance of the business partners. (ii) Facility did not communicate amfori BSCI CoC, amfori BSCI Tol with their business partners according to the significance level. (iii) Facility has supplier list of 11 suppliers with some information (i.e. name, address, product range, contact info etc), but some others important information (i.e. business relation since, significance level of supplier, number of workers, distance etc) found missing and unknown. Moreover, security service provider was not included in supply chain mapping. (iv) Facility has contractual security guards form 3rd party service provider. According to contract, they paid BDT. 8000 per month for individual security guard which is less than the industry minimum wage for EPZ area (BDT. 8200). [Reference: Minimum wage circular for EPZ] (v) Facility has contractual security guards form 3rd party service provider. Weather contractor is paying monthly wage in timely manner and as per law or not could not be verified as facility did not collect payment record or wage sheet for the contractor. (vi) According to contractual security guards attendance record review and interview, they worked more than 8 hours per day but they got overtime payment at single rate instead of double of the basic wage rate as per law. [Reference: Bangladesh EPZ Labor Act-2019, Section-45] (vii) Contractual security guards worked during festival holidays (Eid-ul-Fitre) and (Eid-ul-Adha), but they did not get compensatory leave and compensatory payment for working on festival holidays as per law. [Reference: Bangladesh Labor Law-2006 (amendment-2018), Section-118(3)] (viii) No personal file, appointment letter, age verification, nominee information were maintained for the contractual security guards.
- 1.4 - Facility did not have effective production planning to avoid excessive overtime. Though facility did production planning considering 8 regular work, maximum overtime hours found exceed the legal limit in the sample months of Sep-2019, May-2019, Jan-2019.

Remarks from Auditee

None

Performance Area 2 : Workers Involvement and Protection

1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: C

Deadline date:30/09/2021

GOOD PRACTICES:

None Observed

AREAS OF IMPROVEMENT:

Facility has policy and procedure for involving worker and their representatives in organizational development activities. However more improvement is needed to full fill the requirement of this performance area as no action has taken yet to close previous audit findings.

- 2.1 - (i) The 03 years validity of current Workers Welfare Association (WWA) found expired since 23/11/2018. After that no WWA or Participation Committee (PC) has been formed. [Reference: Bangladesh EPZ Labor Act-2019, Section-105, 122] (ii) Facility did not held any meeting of WWA in last one year. [Reference: Bangladesh EPZ Labor Act-2019, Section-96 (2)]
- 2.2 - Facility has company mission, vision, but no long term goal are set with the involvement of workers and workers representative and no strategic plan has been developed to achieve the goals.
- 2.4 - Facility did not effectively communicate the requirement of amfori BSCI CoC to the relevant decision maker, department head and management staff who involve in implementation of amfori BSCI CoC. During interview with amfori BSCI management representative, production and planning employee, HR, Compliance and welfare employee, it is evident that they had lack of understanding on amfori BSCI CoC etc.
- 2.5 - (i) Facility has developed grievance mechanism for internal stakeholder. No documented procedure and complain recording system was found for dealing external grievance. (ii) No grievance record (internal, external and verbal, written) was maintained. (ii) Facility does not conduct survey on grievance mechanism.

Remarks from Auditee:

None

Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: C

Deadline date:30/09/2020

Good practices

None Observed

Areas of improvement

Overall observation revealed that the management of the company is in progress of adapting to a procedure for bringing the workers and management into sync for improving work-place efficiency. A complaint box had been installed in the Toilet area so that the workers are able to report their problems and receive respective solutions in confidentiality. Facility has a written policy for anti harassment and anti abuse which covers areas such as grievance handling, disciplinary measures, mid-level management, etc. Factory has established management practice which involves worker and their representatives for information exchange on workplace issues. However, some shortfalls had been observed in implementation. Anti-Harassment and Anti-Abuse Procedure Policy Number: hr-proc-005

- 2.1 - (i) The 03 years validity of current Workers Welfare Association (WWA) found expired since 23/11/2018. After that no WWA or Participation Committee (PC) has been formed. [Reference: Bangladesh EPZ Labor Act-2019, Section-105, 122] (ii) Facility did not held any meeting of WWA in last one year. [Reference: Bangladesh EPZ Labor Act-2019, Section-96 (2)]
- 2.2 - Facility has company mission, vision, but no long term goal are set with the involvement of workers and workers representative and no strategic plan has been developed to achieve the goals.
- 2.4 - Facility did not effectively communicate the requirement of amfori BSCI CoC to the relevant decision maker, department head and management staff who involve in implementation of amfori BSCI CoC. During interview with amfori BSCI management representative, production and planning employee, HR, Compliance and welfare employee, it is evident that they had lack of understanding on amfori BSCI CoC etc.
- 2.5 - (i) Facility has developed grievance mechanism for internal stakeholder. No documented procedure and complain recording system was found for dealing external grievance. (ii) No grievance record (internal, external and verbal, written) was maintained. (ii) Facility does not conduct survey on grievance mechanism.

Remarks from Auditee

None

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

1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: B

Deadline date:30/09/2021

GOOD PRACTICES:

None Observed

AREAS OF IMPROVEMENT:

Facility has policy and procedure honoring workers' rights for freedom of association and collective bargaining. Workers formed WWA but new election is required as per law. Meeting not arranged on regular basis.

3.1 - (i) No documented procedure on 'Freedom of Association' was in place. (ii) The 03 years validity of current Workers Welfare Association (WWA) found expired since 23/11/2018. After that no WWA or Participation Committee (PC) has been formed. [Reference: Bangladesh EPZ Labor Act-2019, Section-105, 122]

3.4 - Facility did not held any meeting of WWA in last one year. [Reference: Bangladesh EPZ Labor Act-2019, Section-96 (2)]

Remarks from Auditee:

None

Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: B

Deadline date:30/09/2020

Good practices

None Observed

Areas of improvement

Overall observation revealed that the management of the company is in progress of adapting to a procedure for bringing the workers and management into sync for improving work-place efficiency. Facility has develop social policy in line with BSCI COC. No trade union was found in this factory. Facility also arranges training on regular interval to increase the competency among manager, workers and workers representatives to successfully anticipate their responsibilities in business operation. However, some shortfalls had been observed in implementation.

3.1 - (i) No documented procedure on 'Freedom of Association' was in place. (ii) The 03 years validity of current Workers Welfare Association (WWA) found expired since 23/11/2018. After that no WWA or Participation Committee (PC) has been formed. [Reference: Bangladesh EPZ Labor Act-2019, Section-105, 122]

3.4 - Facility did not held any meeting of WWA in last one year. [Reference: Bangladesh EPZ Labor Act-2019, Section-96 (2)]

Remarks from Auditee

None

Performance Area 4 : No Discrimination

1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: B

Deadline date:30/09/2021

GOOD PRACTICES:

None Observed

AREAS OF IMPROVEMENT:

Finding Closeout Comment: 4.1 – Facility has non-discrimination policy. Facility identified common areas and ways of discrimination in policy. Facility has policy and procedure to ensure that workers are not discriminated in any way. Facility identified areas where there are possibility of discrimination but no such case reported yet. Facility has included non-discrimination policy in regular training program.

4.2 - Facility does not conduct survey on grievance mechanism.

Remarks from Auditee:

None

Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: C

Deadline date:30/09/2020

Good practices

None Observed

Areas of improvement

Overall observation proved that the internal company policies procedures have been set up in a manner, which meets the fundamental conditions of this area. It can be concluded that the facility does not practice discrimination in hiring, promoting or offering the training opportunities to the workers as per the companys internal policy. Senior management members, welfare personnel and workers committee members are responsible for preclusion of any misconduct which may take place amongst employees of different grade. However, some shortfalls had been observed in implementation.

4.1 - No documented policy on 'Non-Discrimination) was in place. Also, facility did not conduct any internal assessment on the most frequent grounds used for discrimination as well as the most common activities through which discrimination may occur.

4.2 - Facility does not conduct survey on grievance mechanism.

Remarks from Auditee

None

Performance Area 5 : Fair Remuneration

1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: B

Deadline date:31/12/2020

GOOD PRACTICES:

The facility exceed expectation of this performance area by providing bonus to all workers when marketing target achieved by the company.

AREAS OF IMPROVEMENT:

Finding Closeout Comment: 5.1: (closed) Facility is no more using third party security guard. For security facility have 3 employees who are working in three shifts rotation basis. Working hour and wages found within legal requirement. 5.2: (Closed): Facility is no more using third party security guard. For security facility have 3 employees who are working in three shifts rotation basis. Based on interview and document review it was noted that security guards received monthly salary within 7 working days as per law. 5.5 - (Partially closed) (i) It was noted from insurance agreement that the facility's employees are included in group insurance coverage. Insurance certificate found valid up to 14/9/2021. Facility adhere policy and procedure in line with legal requirement to ensure legal minimum wages and other benefits. Wages and benefit related documents from October 2019 to September 2020 was in audit scope. As per audit guidelines wages was reviewed from November 2019, March 2020 and September 2020 and found within legal limit. However still some findings noted in this performance area.

- 5.4 - Facility management is unaware about the collection and calculation of fair remuneration. Also, facility does not take any initiative to identify the possible gaps between actual remuneration and fair remuneration figure and does not take potential actions to fill the gap.
- 5.5 - Facility has paid earn leave on 23.8.2020 for the year of 2019. From payment sheet it was noted that some leave deducted from total leave and payment has done for rest of the days but the facility could not able to show evidence like leave register why those earn leave were deducted. [Reference: Bangladesh EPZ Labor Act-2019, Section-52]

Remarks from Auditee:

None

Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: D

Deadline date:30/09/2020

Good practices

Facility practices sharing a certain percentage of its profit with all its permanent employees every month. (e.g. 1000 BDT and above).

Areas of improvement

The overall observation indicates that auditee has ensured provision of minimum wage to the workers as per law. Auditors covered the wage records of the three months -September 2019, May 2019 and January 2019 as per audit scope. The sample comprised of 12 records from different areas of the facility. The facility has assigned a dedicated personnel for handling workers payroll and other benefits. Workers wages are calculated on monthly basis and payment cycle is determined by the calendar month. The workers received their monthly wage in both cash and via bank payment within 7th working day of the following month. Last payment date is 06 October, 2019 for the month of September 2019. Review of all workers salary sheet also reveals that deductions has only been made for unauthorized absent and for Provident Fund. Salary is provided as per workers salary grade and overtime rate calculation found correct. Their compliance team is responsible for monitoring the overall requirements of this performance area. However, gaps have been identified in implementation.

- 5.1 - Facility has contractual security guards form 3rd party service provider. According to contract, they paid BDT. 8000 per month for individual security guard which is less than the industry minimum wage for EPZ area (BDT. 8200). [Reference: Minimum Wage Circular for EPZ]
- 5.2 - Facility has contractual security guards form 3rd party service provider. Weather contractor is paying monthly wage in timely manner and as per law or not could not be verified as facility did not collect payment record or wage sheet for the contractor.
- 5.4 - Facility management is unaware about the collection and calculation of fair remuneration. Also, facility does not take any initiative to identify the possible gaps between actual remuneration and fair remuneration figure and does not take potential actions to fill the gap.
- 5.5 - (i) Facility's employees are not included in group insurance coverage. [Reference: Bangladesh EPZ Labor Act-2019, Section-36] (ii) Facility does not have procedure to en-cash money for unspent annual leave to the eligible workers at the end each completion year. During resign workers file review it was noted that 01 worker had resigned after completion around 02 year of service, but did not received annual leave payment. [Reference: Bangladesh EPZ Labor Act-2019, Section-52]

Remarks from Auditee

None

Performance Area 6 : Decent Working Hours

1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: C

Deadline date:31/12/2020

GOOD PRACTICES:

None Observed

AREAS OF IMPROVEMENT:

Findings Closeout Comment: 6.1, 6.2(ii) & 6.4: No weekly day off work was noticed during review of November 2019, March 2020 and September 2020 working time record. Highest 6 consecutive days work was noticed. General working hours start from 8:30 AM to 5:30 PM which includes a Break from 12:30 PM to 01:30 PM. Some workers and staffs work from 9 AM to 6 PM. Security Guards work in three Shifts, which are 6:00 AM to 2:00 PM, 2:00 PM to 10:00 PM and 10:00 PM until 6:00 AM. Facility ensured weekly day off after six consecutive days of work. No inconsistency was noticed in wages sheet and working hour record. Facility maintain register for keeping daily attendance and found consistence with wage payment. During review of working hour document from November 2019 daily and weekly overtime found more than legal limit. In recent months working hour found within legal limit.

- 6.2 -** Based on working hour record review (Time Card), workers and management interview, maximum overtime hours found exceed the legal limit as follows: Daily highest overtime found 3 to 4.5 hours and weekly highest overtime found 13 to 16.5 hours in the month of November-2019 [Reference: Bangladesh EPZ Labor Act-2019, Section-40]

Remarks from Auditee:

None

Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: E

Deadline date:30/09/2020

Good practices

None Observed

Areas of improvement

Overall observation proved that the auditee has established a working hour policy in accordance to local law. The auditee maintains 48 regular working hour per week verified through working hour approval. Facility runs in one general shift from 8:30 AM to 5:30 PM inclusive of one hour (12:30 PM to 01:30 PM) personal break. Security guards work in three shifts, which are from 6:00 AM to 2:00 PM, from 2:00 PM to 10:00 PM and from 10:00 PM to 6:00 AM. Friday is the weekly holiday. The facility maintains workers time records by electronic (punch card) time keeping system. Auditors covered the workers working hour records from October 2018 till audit date. Auditors selected working-hour records of 12 workers as samples, which have been selected from different areas/departments of the facility. Scrutinizing the working hour records have revealed some overtime work-hours that exceeded the legal limit. Overtime work in the factory is voluntary. Overtime is paid at a premium rate (200% of usual wage). However, gaps have been identified in implementation. Latest date of Training on Leaves and Overtime: 06/10/2019 Leaves and other Legal Rights and Benefit Policy Number: hr-proc-002

- 6.1 -** 02 out of 12 sample workers worked on 4 and 11 January 2019 (sample month) those are the weekly of day of the factory. As a result workers had worked more than 48 hours (excluding OT hours) per week. Continuous days of worked found 17 days. [Reference: Bangladesh EPZ Labor Act-2019, Section-40]
- 6.2 -** (i) Based on working hour record review (Time Card), workers and management interview, maximum overtime hours found exceed the legal limit as follows: Daily highest overtime found 3 to 4.5 hours and weekly highest overtime found 12 to 17 hours in the month of Sep-2019 (current month). Daily highest overtime found 3 to 5 hours and weekly highest overtime found 12 to 18.5 hours in the month of May-2019 (random month). Daily highest overtime found 3 to 5.5 hours and weekly highest overtime found 12 to 28 hours in the month of Jan-2019 (random month). [Reference: Bangladesh EPZ Labor Act-2019, Section-40] (ii) 02 out of 12 sample workers worked on 4 and 11 January 2019 (sample month) those are the weekly of day of the factory. But, 01 of them got 8 hours overtime payment though he worked 12.5 hours duty in those weekly off days. [Reference: Bangladesh EPZ Labor Act-2019, Section-45]
- 6.4 -** 02 out of 12 sample workers worked on 4 and 11 January 2019 (sample month) those are the weekly of day of the factory. But, Continuous days of worked found 17 days. [Reference: Bangladesh EPZ Labor Act-2019, Section-40]

Remarks from Auditee

None

Performance Area 7 : Occupational Health and Safety

1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: E

Deadline date:30/09/2021

GOOD PRACTICES:

None Observed

AREAS OF IMPROVEMENT:

Finding Closeout comments 7.2 – (Closed) The facility management has conducted an agreement with American Life Insurance Company for group insurance coverage for all full-time permanent employees. 7.5 -(Closed) Document review and management interview reveals that facility has arrange awareness training on health and safety, fire safety, chemical handling, etc. 7.7 -(Closed) The facility management has stop the Auto Bag Manufacturing Process and remove the color pastes . 7.10 – (Partially closed): The facility the first aiders has keep the accident or minor injury records. 7.15 – (Partially closed) All aisles was found free at the 1st floor of building. Facility has written occupational health and safety procedure but still improvement needed to ensure legal regulations. During audit it was found that facility has adequate emergency stairs connected with each floor. Facility arranged adequate amount and type of fire extinguisher in each floor. Facility arranged fire drill and fire training to make workers familiar with evacuation procedure. Workers have trained first aider in each floor for immediate support. If better medical facility is needed then workers are sent to BEPZA medical. Facility has included all workers under insurance coverage. Facility ensured social facility like toilet, dining as per local regulations. Facility has no transport and food arrangement for the workers but a fixed amount of money is given to all workers as transport and food allowance in each month as per BEPZA instructions. Question 7.23 and 7.24 not rated as factory has no such facility.

- 7.1 - Facility is in progress of complying health & safety rules and regulations. During audit gaps were noted related to risk assessment, health checkup, safety committee, MSDS, fire drill, accident and injury register, building approval, fire license coverage, electrician competency, fire alarm system, fire equipment, escape routes, eye wash stations, maintenance, environmental assessments etc.
- 7.3 - i) Facility does not have a procedure for conducting periodic risk assessment covering all production activities, processes, machineries, stores, workplaces, etc. Also no health related risk has been assessed for worker who are responsible for lifting and removing finished goods from shelves kept at excessive high, workers responsible for handling chemical transportation and mixing, workers responsible for handling printing color mixing, etc. ii) Facility stores finished goods at excessive height (3rd, 4th and 5th floor of building 01) which may cause fall on the workers who's iii) No health check found for the workers who worked in hazardous area like dot machine operators, workers responsible for handling chemical transportation and mixing, workers responsible for handling printing color mixing, electricians, generator operators as requirement. [Reference: Bangladesh Labor Law: 2006, Section: 79(c)]
- 7.4 - Safety committee members from worker side are not democratically elected or nominated by the elected workers association. [Reference: EPZ Labor Ordinance-2019, Section-35 (2k)]
- 7.8 - (i) Facility does not develop emergency preparedness procedure to handle the emergency situation. Also no training was provided to the workers on emergency preparedness procedure. (ii) It was noted through plant tour that there was no Public Address (PA) system in the factory. (iii) During audit it was noted that the facility did not arrange barred window in floor area. [Reference: Rule 54(10) of Bangladesh Labour Rules 2015]
- 7.10 - From interview with management it was noted that the facility management do not have any procedure yet to investigate and identify root cause of accident or injury in order to take further steps and adjust safety measures accordingly. [Reference: Bangladesh Labour Rules 2015, 73(1)]
- 7.11 - (i) Facility has a single storied Wastage Building (consisting of 06 wastage rooms and two shower rooms) and has a Fire Pump Shed but it is not included in the building construction approval. [Reference: Bangladesh Labour Rules 2015, Rule 353(1)] (ii) Facility has a Wastage Building consisting of 06 Wastage Room and two Shower Room and has a Fire Pump Shed but no evidence found for it being included in the fire license coverage. [Reference: Fire Prevention Act-2003, Section-4]
- 7.13 - 2 out of 3 electricians had no competency certificate from concern authority. [Reference: Bangladesh Labor Rule-2015, Rule- 58(9)]
- 7.14 - (i) Through plant tour it was noted that the fire alarm system found inactive and moreover, no fire alarm call point, fire alarm bell, smoke detector, emergency light or any other firefighting equipment in the Substation Room at ground floor of building 01. Note that the facility has active sprinkler system at the production, store area and office area [Reference: Bangladesh EPZ Labor Act-2019, Section-35(3f)] (ii) No illuminated exit sign has been posted on the fire door to indicate the location of the emergency exit staircase on each floor of all buildings at the facility premise. [Reference: Bangladesh EPZ Labor Act-2019, Section-35(3f)] (iii) Facility does not have a procedure for regular checking and maintenance of firefighting equipment, fire alarm system, hose reel, smoke detection system, etc. (iv) Fire extinguisher found blocked by finished goods on the 3rd floor, 4th floor, 5th floor and ground floor of building 01. [Reference: Bangladesh EPZ Labor Act-2019, Section-35(3f)]
- 7.15 - i) Aisles was found blocked by finished goods in 3rd floor, 4th floor, 5th floor and ground floor of building 01. ii) Passageway was found blocked by finished goods in 3rd floor, 4th floor, 5th floor and ground floor of building 01. iii) Aisles was found blocked by base material at the ground floor of building 01. [Reference: Bangladesh EPZ Labor Act-2019, Section-35(2a)]
- 7.17 - Facility generator waiver certificate found expired on 30 march 2020. [Bangladesh energy regulatory commission license rules 2006, Section 9(3) (amendment 2016)]
- 7.18 - During plant tour no eyewash station found in chemical store (2nd floor of building 01), chemical mixing area (1st floor of building 01) and near printing paste store (ground floor of building 01). [Reference: Bangladesh EPZ Labor Act-2019, Section-35(2d)]
- 7.21 - Factory did not ensure canteen facility for workers. [Reference: Bangladesh EPZ Labor Act-2019, Section-35(2J)]
- 7.25 - Noise level, temperature, humidity & Indoor air quality assessment did not assess by the factory yet. [Reference: Environmental Conservation Rules 1997, Rule 12]

Remarks from Auditee:

None

Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: E

Deadline date:30/09/2020

Good practices

None Observed

Areas of improvement

It appeared from overall observation that the company management is in progress for fulfilling most essential conditions of this performance area to an extent. Building construction approval is taken from EPZ on 20 December 2015. In-house safety training had been provided to existing and new workers. Factory had documented emergency preparedness procedure for handling of accidents and emergency situations. In case of emergency medical need, facility can take services from DEPZ Hospital. No visible defect found at the factory buildings and sheds. During site-tour, it was noted that working environment with respect to ventilation and lighting of the factory were acceptable. 03 Emergency Exit found in each floor, were clearly marked with signs and light with secondary power backup. Emergency light found 21. There were aisles marking and evacuation plot plan. The number of firefighting equipment (Fire extinguisher=139, Fire hose pipe=24, Fire alarm call point=28, Fire alarm bell=28, Smoke detector=203, Fire door=32) and first aid box (Total=07) were available in the factory. There are 32 fire fighters in this factory trained from Fire Service and Civil

	<p>defence. 03 personnel are assigned for overall maintenance of electrical equipments (Mr. Rafiqul Islam, Mr. Shafiqul Islam and Mr. Nickle Chakma) is available full time at the facility. Question-7.23 is rated as 'N/A' as factory did not provide transport facility to the workers. Question-7.24 is rated as 'N/A' as factory did not provide housing facility to the workers. However gaps have been identified in implementation. Latest date of Training on PPE – 23/8/2019 Latest date of Training on Health & Safety – 06/10/2019 Latest date of Training on Chemical Handling – 28/08/2019 Latest date of Training on Fire Fighting (Internal) – 06/10/2019 Latest date of Training on Fire Fighting (FSCD) – 20-21/04/2016 Latest date of Fire Drill (FSCD) – 06/10/2019 Latest date of Maintenance of Elevator (External) – 08/10/2019 from Laboni Corporation Ltd. Latest date of Maintenance of Generator (Internal) – 29/09/2019 Latest date of Maintenance of Generator (External) – 18/08/2019 from Cross World Ltd.</p>
7.1 -	Facility is in progress of complying health & safety rules and regulations. During audit gaps were noted related to risk assessment, health checkup, safety committee, MSDS, fire drill, accident and injury register, building approval, fire license coverage, electrician competency, fire alarm system, fire equipment, escape routes, eye wash stations, maintenance, environmental assessments etc.
7.2 -	Facility's employees are not included in group insurance coverage. [Reference: Bangladesh EPZ Labor Act-2019, Section-36]
7.3 -	<p>i) Facility does not have a procedure for conducting periodic risk assessment covering all production activities, processes, machineries, stores, workplaces, etc. Also no health related risk has been assessed for worker who are responsible for lifting and removing finished goods from shelves kept at excessive high, workers responsible for handling chemical transportation and mixing, workers responsible for handling printing color mixing, etc. ii) Facility stores finished goods at excessive height (3rd, 4th and 5th floor of building 01) which may cause fall on the workers who's iii) No health check found for the workers who worked in hazardous area like dot machine operators, workers responsible for handling chemical transportation and mixing, workers responsible for handling printing color mixing, electricians, generator operators as requirement. [Reference: Bangladesh Labor Law: 2006, Section: 79(c)]</p>
7.4 -	Safety committee members from worker side are not democratically elected or nominated by the elected workers association. [Reference: EPZ Labor Ordinance-2019, Section-35 (2k)]
7.5 -	Document review and management interview reveals that facility does not have an established system for increasing awareness on health and safety, fire safety, chemical handling, etc. No training schedule is made and followed, training records such as pictorial evidence, training notice and agenda are also not maintained. Moreover, workers of the facility lacks knowledge on fire safety which indicates ineffectiveness of training.
7.7 -	Facility uses Color Paste for its Auto Bag Manufacturing Process in the ground floor of building 01. The color pastes are stored in containers, but no label or MSDS found posted to indicate its properties. Also secondary containment was improper.
7.8 -	<p>(i) Facility does not develop emergency preparedness procedure to handle the emergency situation. Also no training was provided to the workers on emergency preparedness procedure. (ii) It was noted through plant tour that there was no Public Address (PA) system in the factory. (iii) During audit it was noted that the facility did not arrange barred window in floor area. [Reference: Rule 54(10) of Bangladesh Labour Rules 2015]</p>
7.10 -	From interview with management it was noted that first aiders do not keep accident or minor injury records from the production floor. Also, they do not have any procedure yet to investigate and identify root cause of accident or injury in order to take further steps and adjust safety measures accordingly. [Reference: Bangladesh Labour Rules 2015, 73(1)]
7.11 -	<p>(i) Facility has a single storied Wastage Building (consisting of 06 wastage rooms and two shower rooms) and has a Fire Pump Shed but it is not included in the building construction approval. [Reference: Bangladesh Labour Rules 2015, Rule 353(1)] (ii) Facility has a Wastage Building consisting of 06 Wastage Room and two Shower Room and has a Fire Pump Shed but no evidence found for it being included in the fire license coverage. [Reference: Fire Prevention Act-2003, Section-4]</p>
7.13 -	2 out of 3 electricians had no competency certificate from concern authority. [Reference: Bangladesh Labor Rule-2015, Rule- 58(9)]
7.14 -	<p>(i) Through plant tour it was noted that there is no fire alarm call point, fire alarm bell, smoke detector, emergency light or any other firefighting equipment in the Substation Room at ground floor of building 01. [Reference: EBangladesh EPZ Labor Act-2019, Section-35(3f)] (ii) No illuminated exit sign has been posted on the fire door to indicate the location of the emergency exit staircase on each floor of all buildings at the facility premise. [Reference: Bangladesh EPZ Labor Act-2019, Section-35(3f)] (iii) Facility does not have a procedure for regular checking and maintenance of firefighting equipment, fire alarm system, hose reel, smoke detection system, etc. (iv) Fire extinguisher found blocked by finished goods on the 3rd floor and at chemical storage area of the 2nd floor of building 01. [Reference: Bangladesh EPZ Labor Act-2019, Section-35(3f)]</p>
7.15 -	<p>i) Aisles was found blocked by production machine at the 1st floor of building. ii) Aisles was found blocked by finished goods in 3rd floor, 4th floor & 5th floor of building 01. iii) Passageway was found blocked by finished goods in 3rd floor, 4th floor & 5th floor of building 01. iv) Aisles was found blocked by base material at the ground floor and at 2nd floor of building 01. [Reference: Bangladesh EPZ Labor Act-2019, Section-35(2a)]</p>
7.18 -	During plant tour no eyewash station found in chemical store (2nd floor of building 01), chemical mixing area (1st floor of building 01) and near printing paste store (ground floor of building 01). [Reference: Bangladesh EPZ Labor Act-2019, Section-35(2d)]
7.21 -	Factory did not ensure canteen facility for workers. [Reference: Bangladesh EPZ Labor Act-2019, Section-35(2J)]
7.25 -	Noise level, temperature, humidity & Indoor air quality assessment did not assess by the factory yet.
Remarks from Auditee	
None	

Performance Area 8 : No Child Labour	
1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
During this follow-up audit this Performance Area (PA) was Not rated due to no finding was raised in previous audit.	
Remarks from Auditee:	
Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: A	Deadline date:
<u>Good practices</u>	
None Observed	
<u>Areas of improvement</u>	
<p>It appeared from overall observation, that the company management had fulfilled all the mandatory conditions of this performance area. Facility has established written policy stating not to engage underage workers. Also facility has developed child labor remediation policy if in case of child labor found in this facility. No child labor was identified during the audit dates. Nothing reported about historical child labor by the interviewed workers. Factory checks the age of the potential worker before recruitment through the age proof records. Management maintains age related documents (i.e. birth certificate, national ID card, school certificate etc) in the workers personnel file. Management does not engage any apprenticeship program. Child Labor and Young Labor Policy Number: hr-proc-003</p>	
<u>Remarks from Auditee</u>	
None	
Performance Area 9 : Special protection for young workers	
1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
During this follow-up audit this Performance Area (PA) was Not rated due to no finding was raised in previous audit.	
Remarks from Auditee:	
Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: A	Deadline date:
<u>Good practices</u>	
None Observed	
<u>Areas of improvement</u>	
<p>Overall observation proved that company management had fulfilled the general terms and conditions of the performance area. Facility has established young workers policy as per law. Young worker has not been recruited by the facility management. Also no young worker was identified during the audit. Question-9.6 is rated as N/A as no young worker was available in the factory. Child Labor and Young Labor Policy Number hr-proc-003</p>	
<u>Remarks from Auditee</u>	

Performance Area 10 : No Precarious Employment

1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: A

Deadline date:31/01/2021

GOOD PRACTICES:

None Observed

AREAS OF IMPROVEMENT:

Facility has no practice of precarious employment. Facility ensured appointment letter to all workers adding required terms and conditions. All workers were employed on permanent basis following EBPZA instructions and legal requirement. No temporary or third party workers were engaged by the facility.

- 10.1 -** (i) Facility did not ensure service book in employee's personal file. [Reference: Bangladesh EPZ Labor Act-2019, Section-7] (ii) Facility did not ensure prescribed nominee form as per law in the employees' personal files to receive payment and other dues in the absence of employee. [Law Reference: Bangladesh Labor Rule-2015, Rule-118]

Remarks from Auditee:

None

Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: A

Deadline date:30/09/2020

Good practices

None Observed

Areas of improvement

Overall observation proved that company management had fulfilled the general terms and conditions of the performance area. The auditee had recruited all of its process and service workers on permanent basis. Workers information is maintained in the workers personal files which had been regularly updated. Worker Job-Contracts included description of duties and responsibilities which were maintained in their personal files. All the information of Appointment Terms and Conditions complied with the law. No unlawful apprenticeship scheme, seasonal workers or contractual process workers had been identified in the factory during audit. However gaps have been identified in implementation. Latest date of Training on Orientation: 30/09/2019

- 10.1 -** (i) Facility did not ensure service book in employee's personal file. [Reference: Bangladesh EPZ Labor Act-2019, Section-7] (ii) Facility did not ensure prescribed nominee form as per law in the employees' personal files to receive payment and other dues in the absence of employee. [Law Reference: Bangladesh Labor Rule-2015, Rule-118]

Remarks from Auditee

None

Performance Area 11 : No Bonded Labour

1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: A

Deadline date:

GOOD PRACTICES:
AREAS OF IMPROVEMENT:

During this follow-up audit this Performance Area (PA) was Not rated due to no finding was raised in previous audit.

Remarks from Auditee:

Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: A

Deadline date:

Good practices

None Observed

Areas of improvement

Overall observation shows that the auditee has fulfilled the requirements of this performance area. Facility does not engage any forced or bonded labor. In Bangladesh no prison labor is allowed to work out-side the prison according to the law. No negative evidence has been identified during audit regarding forced labor and interviewed workers were happy to work in the factory. Management does not keep any original documents from the workers that confirmed by the interviewed workers. Workers are free to leave their employer at any time giving required notices. Question-11.2 is rated as N/A as factory did not engage or recruit any migrant worker. Latest date of Training on Legal Rights and Benefit: 06/10/2019 Latest date of Training on Leaves: 06/10/2019 Leaves and other Legal Rights and Benefit Policy Number: hr-proc-002

Remarks from Auditee

Performance Area 12 : Protection of the Environment

1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: C

Deadline date:31/05/2021

GOOD PRACTICES:

None Observed

AREAS OF IMPROVEMENT:

Finding Closeout comments 12.4 – (Closed): During plant tour it was noted that the facility has kept waste by type and hazard wish. Facility has written policy and procedure to ensure facility's process and functions are not polluting environment but facility need improvement in some areas as per the findings requirement. Facility has connection with the BEPZA central ETP for effluent treatment.

12.1 - (i) The facility did not develop any procedure for significant aspect and impact assessment regarding environment for its activities. (ii) No assessment of stack air emission for generator found in the facility.

12.3 - Facility did not obtain Environmental Clearance Certificate yet from the local authority however, they have applied to the concerned authority (Department of Environment)on 27 December 2017. Note that it is required as facility has processes which involves use of chemical and are producing effluent which are harmful to the environment. [Reference: Bangladesh Environment Conservation Act 1995, Section-12]

12.4 - Factory did not have any procedure to prevent water lose and have a system to preserve natural water resource (recycling practices, preserve rain water etc.) to ensure better environment in the premises.

Remarks from Auditee:

None

Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: D

Deadline date:30/09/2020

Good practices

None Observed

Areas of improvement

It appeared from overall observation that the auditee has a written environmental policy and procedure to ensure local environment law into the business performance. Mr. Prashanta Kumar Moulik-Assistant Manager (HR) is responsible for continuous improvements of environmental performance.Auditee has been certified by the U.S. Green Building Council (Leed 2009) dated on September 2016. However, gaps have been identified in implementation.

12.1 - (i) The facility did not develop any procedure for significant aspect and impact assessment regarding environment for its activities. (ii) No assessment of stack air emission for generator found in the facility.

12.3 - Facility did not obtain Environmental Clearance Certificate yet from the local authority however, they have applied to the concerned authority (Department of Environment)on 27 December 2017. Note that it is required as facility has processes which involves use of chemical and are producing effluent which are harmful to the environment. [Reference: Bangladesh Environment Conservation Act 1995, Section-12]

12.4 - During plant tour it was noted that facility keeps waste like empty paper roll, plastic, waste raw material and construction materials under open air with no segregation by type and hazard. Note that facility has a wastage building where 6 rooms are available for keeping different types of wastages. [Reference: Bangladesh EPZ Labor Act-2019, Section-35(3a)]

12.5 - Factory did not have any procedure to prevent water lose and have a system to preserve natural water resource (recycling practices, preserve rain water etc.) to ensure better environment in the premises.

Remarks from Auditee

None

Performance Area 13 : Ethical Business Behaviour	
1- Followup Audit [Audit Id - 194545] Audit Date: 10/10/2020 PA Score: C	Deadline date:30/06/2021
GOOD PRACTICES: None Observed	
AREAS OF IMPROVEMENT: <p>Facility has policy to prohibit corruption and bribery but have no details procedure and assessment to identify the possible areas where corruption and bribery may take place. Facility has shown transparency in providing information during audit. No inconsistency was noticed in provided documents.</p> <p>13.1 - (i) Facility did not identify possible areas of corruption in supply chain and it's business activities and did not provide training to the relevant employees of those areas. (ii) Facility has developed anti-corruption and anti-bribery policy but no procedure was developed on how corruption and other ethical issues will be handled. Also no reward system was adopted to promote ethical behavior and integrity among workers and management.</p> <p>13.2 - Facility has electronic time keeping system, though it is found nonfunctional during audit. Facility did not able to provide time record from electronic system, however they maintain manual time keeping system also.</p> <p>13.4 - Facility did not have any policy or procedure for workers personal data protection, exchange and handling etc.</p>	
Remarks from Auditee: None	
Full Audit [Audit Id - 165783] Audit Date: 24/10/2019 PA Score: C	Deadline date:30/09/2020
<u>Good practices</u> None Observed	
<u>Areas of improvement</u> <p>Overall observation proved that company management is in progress of fulfilling the general terms and conditions of the performance area. The facility management was fully cooperative and transparent during audit in terms of providing requested documents. The facility has a policy Anti-Corruption and Anti-Bribery. Mr. Prashanta Kumar Moulik-Assistant Manager (HR) is responsible for implementation of this performance area. However, gaps have been identified in implementation. Anti-Corruption and Anti-Bribery Policy Number: hr-proc-004</p> <p>13.1 - (i) Facility did not identify possible areas of corruption in supply chain and it's business activities and did not provide training to the relevant employees of those areas. (ii) Facility has developed anti-corruption and anti-bribery policy but no procedure was developed on how corruption and other ethical issues will be handled. Also no reward system was adopted to promote ethical behavior and integrity among workers and management.</p> <p>13.2 - Facility has electronic time keeping system, though it is found nonfunctional during audit. Facility did not able to provide time record from electronic system, however they maintain manual time keeping system also.</p> <p>13.4 - Facility did not have any policy or procedure for workers personal data protection, exchange and handling etc.</p>	
<u>Remarks from Auditee</u> None	

Summary



Audit Type	Date	Audit Id	PA1	PA2	PA3	PA4	PA5	PA6	PA7	PA8	PA9	PA10	PA11	PA12	PA13	Overall Rating
Follow-up Audit	10/10/2020	194545	E	C	B	B	B	C	E	A	A	A	A	C	C	D
Full Audit	24/10/2019	165783	E	C	B	C	D	E	E	A	A	A	A	D	C	D

Producer Photos



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



Photo of chemical storage room (if applicable)
MSDS posted.JPG



External photo(s) of the production unit(s)
Compressor.JPG



External photo(s) of the production unit(s)
Factory main entrance.jpg



Photo of fire safety equipment
Fire Alarm Switch.JPG



External photo(s) of the production unit(s)
Electrical sub-station.jpg



External photo(s) of the production unit(s)
Factory name plate.jpg



Photo of fire safety equipment
Fire Alarm.JPG



External photo(s) of the production unit(s)
Handwashing system at the factory gate.jpg



Photo of the inside of the main production hall
Danger Sign.JPG



Photo of fire safety equipment
Fire Extinguisher.JPG



External photo(s) of the production unit(s)
Lighting protection system.JPG



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



Photo of fire safety equipment
Fire Fighting Equipment.JPG



External photo(s) of the production unit(s)
Loading Unloading area.jpg



Photo of the inside of the main production hall
Emergency Evacuation plan.JPG



Photo of fire safety equipment
Fire hose pipe.JPG



External photo(s) of the production unit(s)
No smoking sign posted.JPG



Photo of the inside of the main production hall
Exit sign.JPG



Photo of fire safety equipment
Fire Hydrant point at production floor.JPG



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



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



Photo of fire safety equipment
Fire hydrant point water pressure demonstration.jpg



External photo(s) of the production unit(s)
Security Post.jpg



Photo of the inside of the main production hall
Notice board.jpg



Photo of fire safety equipment
Fire Hydrant Pump.jpg



External photo(s) of the production unit(s)
Wastage store area.jpg



Photo of the inside of the main production hall
Production floor.JPG



Photo of fire safety equipment
Fire sprinkler system.JPG



External photo(s) of the production unit(s)
Worker prayer room.JPG



Photo of the inside of the main production hall
Quality checking and finishing section.JPG

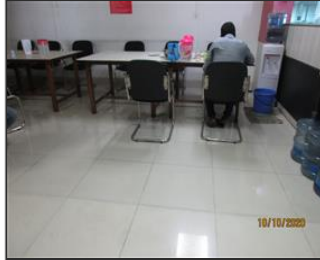


Photo of the canteen (if applicable)
Workers Dining.JPG



Photo of non-conformity
Finding 7.14 Fire extinguisher found blocked by finished goods.JPG



Photo first aid facilities
First Aid Box.JPG



Photo of the sanitary facilities
Segregated workers toilet.JPG



Photo of non-conformity
Finding 7.14 Fire alarm system found inactive.JPG



Photo first aid facilities
First Aid Medicine.JPG



Photo of the sanitary facilities
Washing facility at toilet.JPG



Photo of non-conformity
Finding 7.14 No illuminated exit sign has been posted on the fire door.JPG



Photo of chemical storage room (if applicable)
Chemical store with Secondary containment.JPG



External photo(s) of the production unit(s)
Awareness of COVID 19 poster.JPG



Photo of non-conformity
Finding 7.15 Aisles were found blocked by finished goods.JPG



Photo of chemical storage room (if applicable)
Color mixer.JPG