

Monitored Party Azim & Son Pvt. Ltd. Unit - 2	amfori ID 050-001302-000	Address 368, Gacha Road, Gacha, JA.B.B, 1704 Gazipur, Dhaka, Bangladesh
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Follow-up Monitoring	Monitoring Partner SGS
Monitoring Start Date 03/01/2024	Closing Meeting Finished Date 03/01/2024	Submission Date 16/01/2024
Expiration Date 07/11/2025	Announcement Type Semi Announced	
Site Azim & Son Pvt. Ltd. Unit - 2	Site amfori ID 050-001302-002	

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OVERALL RATING



SECTION RATING

PA1: Social Management System	C	
PA 2: Workers Involvement and Protection	A	
PA 3: The Rights of Freedom of Association and Collective Bargaining	A	
PA 4: No Discrimination, Violence or Harassment	A	
PA 5: Fair Remuneration	B	
PA 6: Decent Working Hours	A	
PA 7: Occupational Health and Safety	A	

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

GENERAL DESCRIPTION

Name of lead auditor: Most. Mahfuza Akter; APSCA membership number (CSCA 21701593).

Name of team auditor: Md. Mehrab Hossain (ASCA 21701285), Nazma Akhter (ASCA 21705132)

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

Monitoring partner name: SGS Bangladesh Limited (Monitoring firm APSCA #:11600006)

Audit schedule details: The audit was planned for 3 man-days in one day and onsite 3 (auditors) man-days. The follow-up monitoring (semi-announced) was conducted on January 03, 2024.

Business partner information: Azim & Son Pvt. Ltd. Unit - 2. (Certificate of Incorporation no. C- C-160342/2020, Factory License: 33-20-1-004-00035 which is valid till 14th February 2024, Trade License: Word no. 36, issue serial no. 548, issue date: 31/5/2022, Gazipur, Bangladesh which is valid till 30th June 2024, Fire License: DD/Dhaka/22082/2010 which is valid till 30th June 2024) was located at 368, Gacha Road, Gacha, JA.B.B, Gazipur, Bangladesh. The factory was founded in March 2020 as per incorporation certificate. The main auditee is specialized in woven garment manufacturing.

The main production activities in the audited factory: The main production process of the facility is cutting, sewing, washing, and finishing (iron to pack). The production capacity is 312,000 pieces per month.

Audited location information: The total land area of the factory is about 71,127 square feet, production area is about 102,182 square feet, storage area is about 18058 square feet and dining area is about 4017 square feet.

The facility has a total of 50 first aiders and 25 first aid boxes, 384 trained firefighters (trained from Fire Service and Civil Defense), 52 hose pipes, 160 ABC fire extinguishers, 47 Co2 fire extinguishers, 09 foam fire extinguishers, 61 fire alarm, 825 smoke detectors, 309 emergency lights, 02 staircases in main production building.

Operating shifts and hours: The facility has one general shift from 08:00 am to 05:00 pm as per working hour policy for all sections. Wash section of the facility has 2 shifts (shift- 1: from 08:15 am to 05:15 pm and shift-2: from 08:15 pm to 05:15 am). Security section of the facility has 3 shifts (shift- 1: from 06:00 am to 02:00 pm, shift-2: from 02:00 pm to 10:00 pm, shift-3: from 10:00 pm to 06:00 am). Lunch break/ personal break for 60 minutes is provided for all workers, which is from 01:00 pm to 02:00 pm. Their regular working hours were found 8 hours per day + one-hour rest break. Friday is weekly holiday for all workers. The maximum consecutive day was found 06 days. Facility wages are calculated on a monthly basis from the 1st to the 30th/31st date of each month. The facility has a policy to pay overtime at 200% of the normal wage rate.

Time recording system: The factory uses an electronic timekeeping system (face detection and swipe card) for recording the attendance of workers.

Salary payment details: The factory established the procedures about wage and benefits, workers' minimum wage, statutory holidays, annual leaves, etc. were defined in the policy. The wages were paid through bank account within 7 working days of the following month; the pay date was never delayed, and all workers were aware of the wage's structure. During the audit, the factory provided the payroll records from October 2023 to November 2023 for review due to a follow-up audit. The facility provides minimum wages (BDT. 8000) to the workers in accordance with Bangladesh Minimum Wages Gazette-2018 for the RMG sector (Published on November 25, 2018, and Amendment on January 24, 2019). The facility management is in process to establish minimum wage published on December 20, 2023.

Worker number information: There are a total of 1740 employees in the facility, including 910 male and 830 female workers. There were no child labors, young workers, found in the factory. No interns, apprentice workers were found in factory.

Good practices: The factory has a system of the following good practices: a. The facility provides an attendance bonus of BDT. 500 for workers monthly.

Worker organization details: The facility elected a participation committee (PC) on 05-03-2023 where 18 members were selected (12 from workers and 06 from management) from different section as workers representative. Last participation committee meeting was conducted on 30-12-2023.

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

Audit Process: The audit for amfori BSCI (follow up monitoring) was conducted in one day by three auditors on 03/1/2024. An opening meeting was held where Mr. Md Harun-Or-Rashid-Head of HR and compliance, Md. Bashir Uddin-Sr.Executive HR, Md. Shamim Hossain-Sr. Technical Manager, Mr. Hasan Shekh-Sr. Officer-Fire and Safety, Md. Akidul Islam- Sr. Executive (ECR), Mr. Azizur Rahman Mallik-G.M. Admin, Mr. Aliul Islam Polin-Deputy Manager (HR & Compliance), Mr. Jahirul Islam-vice president of the participation committee were present.

Closing meeting: At the end of the assessment, a closing meeting was held to discuss all the areas of improvement in the findings report with Mr. Md Harun-Or-Rashid-Head of HR and compliance and with his team. Facility management agreed on all findings and signed the findings report. The auditor informed the management regarding the submission of a remediation plan to the amfori BSCI participant through amfori BSCI platform against the findings raised in the audit within 60 days.

Summary of findings: Non-compliances were noted in "Social Management System", "Fair Remuneration", "Occupational Health and Safety". Details of the findings are listed in respective sections. For other areas, no findings were noted.

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

Findings close status: Based on the plant tour, document review, management and worker interview the following issues 2.2, 2.5, 7.14, and 12.5 were closed in this follow-up audit. There are total 05 PA covers in this follow-up audit.

Note 1: After the last audit, the facility has purchased 01 new power generator with a capacity of 1500 KVA, which was housed on December 21, 2023 and installation work has just started. It was reported by facility management that after installation, the application for using a power generator will be submitted to the Energy Regulatory Commission.

Note 2: The audited facility consists of 13 buildings and 04 sheds. All buildings and sheds are owned. Detailed descriptions are attached in the report attachment of the report due to limited word capacity of general description. Due to word limitations, the building description was uploaded as an attachment.

SITE DETAILS

Site
Azim & Son Pvt. Ltd. Unit - 2

Site amfori ID
050-001302-002

GICS Classification

Sector Consumer Discretionary	Industry Group Consumer Durables & Apparel	Industry Textiles, Apparel & Luxury Goods
Sub Industry Apparel, Accessories & Luxury Goods		

amfori Process Classifications

N.A.

GS1 Classifications

N.A.

NACE Classification

N.A.

Water Stress Situation

This site is not located in a water stressed region

METRICS

Key Metrics

Total workforce	1,598	Workers
Legal minimum wage in local currency	8,000	Monthly
Lowest wage paid for regular work at the site	8,000	Monthly
Calculated living wage in local currency	21,091	Monthly
Total sample	20	Workers

Other Metrics

Male workers	768	Workers
Female workers	830	Workers
Non-binary workers	0	Workers
Permanent workers - Male	910	Workers
Permanent workers - Female	830	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	311	Workers
Management - Female	5	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	117	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	0	Workers
Domestic migrant workers - Female	0	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	910	Workers
Workers hired directly - Female	830	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	10	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	8	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	10	Workers
Sample - Female	10	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: Azim & Son Pvt. Ltd. Unit - 2 | Site amfori ID: 050-001302-002

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

ENGLISH

Finding

Finding partially corrected:

The main auditee partially respected this principle as because the auditee has set up a management system for implementation of amfori BSCI Code of Conduct as day-to-day business practices but the system is still not effective enough for continuous improvement and monitoring effectively as few gaps found in different areas like "Social management system" area including significant business partners monitoring, "Fair remuneration" area including no potential action has been taken to fill the gaps between actual remuneration, "Occupational health and Safety" area including like insufficient risk assessment, inappropriate PPE, floor layout plan found mismatch, insufficient machine safety due to lack of management awareness and monitoring. [As per amfori BSCI system manual requirement of question 1.1]

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

ENGLISH

Finding

Finding partially corrected:

Noted from document review and management interview that the factory has developed a supplier selection policy and procedures and monitored their social performance. The factory has updated their supplier list (21 significant business partners) and shared updated amfori BSCI COC but did not properly monitoring 04 out of 21 significant business partners due to lack of awareness. This question is rated partially because other areas were found compliance. [As per amfori BSCI system manual requirement of question 1.3]



PA 5: Fair Remuneration

Site: Azim & Son Pvt. Ltd. Unit - 2 | Site amfori ID: 050-001302-002

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

ENGLISH

Finding

Finding partially corrected:

Facility management is well aware about collection and calculation of fair remuneration. Facility has conducted general survey within workers of various grades, sections and several areas to identified fair

Finding

remuneration. The factory identified possible gaps between actual remuneration and the fair remuneration figure in the factory. But the factory did not take potential actions to fill the gap. So that still gap has been identified to ensure fair remuneration to the employees. [As per amfori BSCI system manual requirement of question 5.4]

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted without negative impact on their pay, level of seniority, position, or promotion prospects?

ENGLISH

Finding

New finding:

The main auditee partially respected this question because based on documents review, workers and management interview that employees' group insurance coverage certificate of the factory expired on 31st December 2023 due to lack of system. However, the factory has applied to the concerned authority on 01 January 2024 for group insurance renewal period and made payment on 03-1-2024. [As per requirement of Bangladesh Labour Rules 2015, section 98]

PA 7: Occupational Health and Safety

Site: Azim & Son Pvt. Ltd. Unit - 2 | Site amfori ID: 050-001302-002

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

ENGLISH

Finding

Finding partially corrected:

This question rated as partially as facility is in progress of complying health & safety rules and regulations but still there are some gaps like insufficient risk assessment, inappropriate PPE, floor layout plans found mismatch, insufficient machine safety was noted. However, risk assessment for night shift work, gas riser room and kitchen area, updated generator license and fire alarm and detection system was functional. (As per amfori BSCI system manual requirement of question 7.1).

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

ENGLISH

Finding

New Finding:

This question rated as partially as risk assessment of the facility didn't cover all areas like below-
a. Goods were found stacked in front of the exhaust fan at accessories storage on the 3rd floor of building 01 which may cause a hazard from an electric hazard, but the risk has not been assessed yet due to a lack of awareness.

Finding

b. It was noted from the plant visit that the passageway to the ETP inlet meter was found unsafe due to having an open drain, which may cause a falling hazard.
(As per Bangladesh Labor Rules 2015, Schedule 4(2) B (1).

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

ENGLISH

Finding

New Finding:

This question rated as partially as facility has provided PPE but gap was identified of using those as below- Randomly checked 02 out of 05 button attach machine operators were not using eye goggles at 1st floor of building 01 due to lack of awareness. (As per Bangladesh Labor Rules 2015, Rule 67 (2).

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

ENGLISH

Finding

New Finding:

This question rated as partially as approved floor layout plan doesn't match with existing floor as 1st floor of building 01 and 2nd floor of building 05 is temporarily used as finished goods storing area but it is approved as dry process area, i-let machine area, inspection table, button pull test room, quality heads room, GM office and Laser Machine accordingly. [As per Bangladesh Labor Rules, 2015, Rule-353 (1)]

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

ENGLISH

Finding

New Finding:

This question rated as partially as facility has installed machine safety guards, but gap was identified of its placement those as below due to lack of awareness and monitoring:

- a. Approximately 5% of eye guards of overlock machines at 3rd and 4th floor of building 01 found displaced due to lack of awareness.
- b. Approximately 10% of needle guards of sewing machines at 2nd, 3rd, 4th and 5th floor of building 01 found displaced due to lack of awareness.

[As per requirement of Bangladesh Labour Law 2006, Section 63(1), D (3)].