

Monitoring result for BKC Sweater Limited on site BKC Sweater Limited

Monitoring

Monitored Party	: BKC Sweater Limited
amfori ID	: 050-000773-000
Site	: BKC Sweater Limited
Site amfori ID	: 050-000773-002
Address	: Plot No. 212-214, Dagerchala Main Road, Dagerchal a, National University, : 1704, Gazipur-1704. : Dhaka : Bangladesh
Monitoring Activity	: amfori Social Audit - Manufacturing
Monitoring Type	: Full Monitoring
Submission Date	: 17/02/2022
Expiration Date	: 17/02/2024

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Overall rating



Section rating

PA1: Social Management System	B
PA 2: Workers Involvement and Protection	B
PA 3: The Rights of Freedom of Association and Collective Bargaining	A
PA 4: No Discrimination	C
PA 5: Fair Remuneration	B
PA 6: Decent Working Hours	A
PA 7: Occupational Health and Safety	B
PA 8: No Child Labour	A
PA 9: Special Protection for Young Workers	A

PA 10: No Precarious Employment	A
PA 11: No Bonded Labour	A
PA 12: Protection of the Environment	B
PA 13: Ethical Business Behaviour	A

General description

As per request from amfori BSCI Member, TUV SUD Bangladesh (Pvt.) Ltd. has conducted a full audit at BKC Sweater Limited which is a 100% export-oriented apparels manufacturing limited company located at Plot No. 212-214, Dagerchala Main Road, Dagerchala, National University, Gazipur-1704, Bangladesh. The facility was started its operation in 2011 at the same place. Total floor area of the facility is about 108,357 square feet and total production area used by the facility is 85,000 square feet for its operations. The production capacity of the company is 400,000 pieces per month. The main product manufactured by the factory is sweater items.

The manufacturing process is as follows: Winding > Knitting (Jacquard) > Linking > Trimming > Mending > Washing > Sewing > finishing > packing.

There are 04 buildings and 01 shed in the factory premises. Detail description of buildings and shed are as below:

Building 01 (05 Storied):

Ground floor is used as Jacquard section and winding section, distribution room, medical room, reception, maintenance room, compressor room and boiler room.

1st floor is used as Office room, pressing section, sewing section, washing section, P.Q.C section, packing section and finished goods storage area, spot removing room, accessories store, and Inspection room.

2nd floor is used as linking section, overlock section, trimming and mending section, light check area, sample section, store area and office area.

3rd floor is used as raw carton area, finished goods keeping area, zipper attachment area, jacquard and jacquard inspection area.

4th floor is used as prayer room, dining hall, canteen area, warehouse, and winding section.

Rooftop 5% of used as wastage room and rest 95% area is open.

Building 02 (02 Storied):

Ground floor is used as generator room, substation room and childcare room.

1st floor is used as Security rest room

Rooftop is fully vacant.

Building 03 (02 Storied):

Ground floor is used as Security post and time section.

1st floor is used as driver rest room.

Rooftop is used as solar panel system.

Building 04 (single Storied) which is used as fire hydrant room.

Shed 01 is used as staff dining hall and kitchen.

Besides, there is an Effluent Treatment Plant (ETP) area in the factory premises.

The regular working hours are from 08:00 am to 05:00 pm with one hour lunch break from 01:00 pm to 02:00 pm. Jacquard section work activity is carried out in 3 shifts from 08:00 am to 04:00 pm; 04:00 pm to 12:00 am and 12:00 am to 08:00 am (with one hour meal break by rotation). Also, security section work activity is carried out in 3 shifts; from 6:00 am to 2:00 pm; 2:00 pm to 10:00 pm and 10:00 pm to 6:00 am (with one hour meal break by rotation). Normal working days are from Saturday to Thursday. Factory remains closed on Friday for general workers. Facility has got approval of general working hours from labor office and yearly leaves are posted on notice board by the management complying with government holidays requirements. Manual time keeping system is used for maintaining in and out times. Workers are being paid monthly though hand cash. Overtime work is volunteer in the factory. Factory management has policy on working hours and overtime works. As per facility management, the production peak season of the factory is from March to October.

Audit Process: 03 Auditors named Jutan Chandra Debnath - Lead Auditor (APSCA Number: RA 21701233), Md. Mostafizur Rahman Shah- Member Auditor (APSCA Number: RA 21703681) and Umme Hunny Tabassum – Member Auditor (APSCA Number: ASCA 21705348) on February 07, 2022 (day-1) and Jutan Chandra Debnath - Lead Auditor (APSCA Number: RA 21701233) and Umme Hunny Tabassum – Member Auditor (APSCA Number: ASCA 21705348) on February 08, 2022 (day-02) 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 February 07, 2022, auditors entered the facility and short opening meeting was conducted with the management to introduce audit team and describe audit process. On behalf of factory management Mr. Nazrul Islam –Manager- Admin, Human Resource and Compliance, Mr. Yousuf khandakar- Officer- Human Resource and Compliance, Mr. Nurul Islam- Director- Admin, Mr. Hasan Elias - General Manager, Mr. Golam Kibria -Director, Mr. Shahalom Chowdhury- Officer- Human Resource and Compliance and Ms. Umme Kulsum - Officer – Welfare was present at the short opening meeting.

Right after the short opening meeting, audit team went out for 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. In total, auditors selected 36 employees randomly for interview.

Post to these processes, Audit team did a detail opening meeting with the facility management. The same person attended in short opening meeting from management side with a worker representative Mr. Rafiqul Islam – Vice President of Participation Committee were present in the detail opening meeting. After that, auditors started to carry out document verification, management and 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.

36 attendance/time records and salary sheets of the selected employees from the month period of December 2021 (most recent month), November 2021 (Off peak month) and March 2021 (peak month). The management team permitted to carry out the whole process as per the amfori BSCI requirement. Note that facility was supposed to paid the wages of January 2022 on February 08, 2022 afternoon (day-2). As the audit was 1.5 man day on day-2, so auditor was not able to verify the wages of January 2022 and taken the wage of December 2021 as most recent sampled month.

Auditor conducted the closing meeting on February 08, 2022 after completion of entire audit process (site tour, interview with the workers and management interview, document review). The same persons mentioned in detailed opening meeting were attended in the closing meeting. Finally, Mr. Nazrul Islam - Manager - Admin, Human Resource and Compliance and Mr. Rafiqul Islam- Vice President of Participation Committee has signed the Findings Report after end of the closing meeting.

Attitude of facility management: The facility management was receptive, positive and extended their full cooperation throughout the audit. They showed positive attitude towards the compliance requirements. Facility management was very much positive to provide the document which was needed to verify during the audit. Further, they have agreed with the findings identified during this full audit. The facility management has certain that they would correct those issues mentioned in the corrective action plan.

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

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

Site Details

Site : BKC Sweater Limited

Site amfori ID : 050-000773-002

GICS Classification

Sector : Industrials

Industry Group : Capital Goods

Industry : Industrial Conglomerates

Sub Industry : Industrial Conglomerates

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

Metrics

Key Metrics

Total workforce	1192 Workers
Legal minimum wage in local currency	8000 Monthly
Lowest wage paid for regular work at the site	8000 Monthly
Calculated living wage in local currency	17926 Monthly
Total sample	36 Workers

Other Metrics

Male workers	750 Workers
Female workers	442 Workers
Permanent workers - Male	671 Workers
Permanent workers - Female	406 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	12 Workers
Management - Female	0 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	199 Workers
Workers on probation - Female	162 Workers
Workers with night shift - Male	52 Workers
Workers with night shift - Female	0 Workers
Workers with disabilities - Male	0 Workers
Workers with disabilities - Female	0 Workers
Domestic migrant workers - Male	0 Workers
Domestic migrant workers - Female	0 Workers
Foreign migrant workers - Male	0 Workers
Foreign migrant workers - Female	0 Workers
Workers hired directly - Male	882 Workers
Workers hired directly - Female	568 Workers
Workers hired indirectly - Male	0 Workers
Workers hired indirectly - Female	0 Workers
Unionised workers - Male	0 Workers
Unionised workers - Female	0 Workers
Workers under CBA - Male	0 Workers
Workers under CBA - Female	0 Workers
Pregnant workers	1 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	1 Workers
Sample - Male	14 Workers
Sample - Female	22 Workers

Findings

PA1: Social Management System

It was noted that a) Facility management has developed most of the areas but still some areas of improvement are identified under different Performance Areas, which is the evidence of gaps in the overall management system against amfori BSCI COC requirements. b) Trade license of the facility was found expired from July 01, 2021. However, facility has applied to the respective authority on August 04, 2021 for renewal. [Ref: Local Government (City Corporation) Act 2009, Section 84]

PA 2: Workers Involvement and Protection

It was noted that 10 out of 36 sampled workers of the facility were found not well aware about the requirements of amfori BSCI Code of Conduct.

It was noted that facility has policy on grievance procedure for the workers, but the policy was not in line with amfori BSCI requirement as the policy did not define how to deal with “potential conflict of interest” (e.g. if a grievance is against the person who administers the mechanism).

PA 4: No Discrimination

It was noted that facility management did not conduct any internal assessment on the most common ground or common areas inside the factory where discrimination may arise.

It was noted that 12 out of 36 sampled workers were found less aware on disciplinary procedures of the facility.

PA 5: Fair Remuneration

It was noted that facility management has awareness on living wage and calculated the same as per current economic context, but they are not ensuring the living wage. Note that living wages of the region is BDT 17,926 as per Global Living Wage Coalition (GLWC) but it has not been ensured for the workers. However, facility is ensuring minimum wages as per aw.

It was noted that group insurance certificate of the facility was found expired on December 31, 2021. However, facility has applied to the respective authority on February 08, 2022 for renewal. Besides, number of employee was not updated in the group insurance database system as facility has total employee 1450 but they enrolled 1135 through the group insurance biometric system. [Ref: Bangladesh Labor Act 2006, Section 99]

PA 7: Occupational Health and Safety

It was noted that a) Few areas of improvement were 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) No health check found for the electricians as per requirement. [Ref: Bangladesh Labor Rules 2015, Rule 68(4)] c) It was noted that drinking water test report was found expired on January 26, 2022. However, all parameters were found within the legal limit. Besides, facility regularly cleaned the water lines and tanks and no waterborne diseases found as per sickness register. In addition, facility has deposited money for further test of drinking water on February 08, 2022. So, based on this, the issue raised under this question as legal requirement. [Ref: Environmental Conservation Rules 1997, Rule 12, Schedule 3(b)]

It was noted that facility management did not conduct the risk assessment for ETP area, Kitchen, and drinking water points. [Ref: Bangladesh Labor Rules, 2015, Schedule-4, Matters relating to safety committee (2)]

It was noted that inadequate number of trained firefighters was found in the facility. Currently, facility has 186 firefighters trained from Fire Service & Civil Defense Authority (FSCD) instead of required 261. However, facility has applied for another batch of training. [Ref: Bangladesh Labor Rules 2015, Rule 55(10)] b) Facility did not conduct night fire and emergency evacuation drill though facility has night production shift. In addition, fire and emergency evacuation drills are not noticed before 15 days to the fire department as required by the law. [Ref: Bangladesh Labor Rules 2015, Rule 55(14)]

It was noted that no MSDS, label and secondary containment was found for dozing chemicals at boiler room of building 01. [Ref: Bangladesh Labor Rules 2015, Rule 68(10)]

It was noted that facility records accident and injury those are taken place in the premises but did not find root cause for every occurrence. Besides, no system found at the facility to report the near miss injuries that enable the workers to report immediately to their superior.

It was noted that a) Actual floor layout found mismatched with approved floor layout plan. For example: ground floor of building 01 was used as jacquard section and winding section instead of Jacquard section as approved floor layout plan. [Ref: Bangladesh Labor Rules 2015, Rule-353] b) Facility management did not include Building 04 (Fire hydrant room), Shed 01

PA 7: Occupational Health and Safety

(Staff dining hall and kitchen), ETP area, 1st floor of building 03 (Driver rest room), 1st floor of building 02 (Security rest room) in construction approval. [Ref: The Building Construction Act 1952, section 3] c) 03 out of 04 boiler license was found expired on December 05, 2021, December 16, 2021 and December 16, 2021 respectively. However, facility has applied to the respective authority on October 28, 2021 for renewal. [Ref: The Boiler Act 1923, Section 8(1a)] d) Generator waiver certificate of the facility has been expired on December 04, 2021. However, facility has applied to the respective authority on February 01, 2022 for renewal. [Ref: BERC Act 2003, Section 30]

It was noted that competency certificate of 01 electrician (out of 03) of the facility was found expired on October 23, 2020. Besides, another electrician has no competency certificate. [Ref: Bangladesh Labor Rules 2015, Rule 58(9)]

It was noted that a) Needle guards of around 10% sewing machines found displaced condition from its target point at sewing section (1st floor of Building 01). b) Pulley cover was found displaced in 7 out of randomly checked 60 linking machines. [Ref: Bangladesh Labor Act 2006, Section 63(1)].

It was noted that facility management has introduced a procedure in writing to deal with trauma and serious illness. However, responsible employees had inadequate knowledge about that.

PA 10: No Precarious Employment

It was noted that group insurance certificate of the facility was found expired on December 31, 2021. However, facility has applied to the respective authority on February 08, 2022 for renewal. Besides, number of employee was not updated in the group insurance database system as facility has total employee 1450 but they enrolled 1135 through the group insurance biometric system. so based on this, indication of precarious relationship between workers and management was noted.

PA 11: No Bonded Labour

It was noted that 12 out of 36 sampled workers were found less aware on disciplinary procedures of the facility.

PA 12: Protection of the Environment

It was noted that facility did not segregate wastage as per type and hazard as poly, waste fabrics, yarn and cartons were kept together beside building 01. [Ref: Bangladesh Labor Act 2006, Section 54]

It was noted that a) No awareness training has been provided yet to employees. b) Facility did not have any procedure to preserve natural water resource (recycling practices, preserve rainwater, etc.) to ensure better environment in the premises. However, facility management is planning to do so.