

Producer Name ss: Maheen Dizayn Etiket (BD) Ltd

DBID: 370218

Audit Date: 01/06/2020

Audit ID: 182134

Audit Type: Full Audit

Date for closing the follow-up on the findings report: 01/06/2021

Performance area 1: Social Management System and Cascade Effect			
Full Audit [Audit Id - 182134] Audit Date: 01/06/2020			
<u>Good Practices</u>			
<u>Area Of Improvement</u>			
<p>The overall observation shows that the factory has set a partial effective system to implement & monitor the social management system. It has appointed a Senior Management Representative to implement and maintain company's Social Management System. There's also has a system to select business partners as per their company policy. Further, the factory has a production plan as well as lost time reporting system implementing monthly/daily basis. Factory management has engaged a senior level management person to look after and the implement the code in the factory. He has a good understanding on their supply chain as per office order he has a decision making power to allocate budget to follow up BSCI requirements implementation. He is responsible for selecting and monitoring performance of business partner. Factory management has developed a management system for selecting current and future business partners to find out their social performance capability with respect to the BSCI requirements. They have introduced complaint handling procedure of business partners. Through their selecting and monitoring system they have selected business partners. Facility management has not communicated BSCI Code of Conduct and Terms of Implementation with all business partners. Factory has categorized by high, medium and low for their business partners are important. Based on conversation factory management it was observed that factory management has capability to develop social management system in the factory premises. They have started to trained related personnel e.g. merchandiser, marketing and sales to take into consideration not only price and quality but also willingness to respect the BSCI requirements.</p>			
1.1 -	Although factory management has developed social management system (like a team, organogram, management review etc.) to integrate the amfori BSCI new code of conduct into day to day business practice and to contribute customers and stakeholders in possible continuous improvement of the facility, but still some areas of improvement are identified under different Performance Areas. [As per amfori BSCI CoC]		
<u>Remarks from Auditee</u>		<u>DeadLine Date</u>	01/06/2021

Performance area 2: Workers Involvement and Protection			
Full Audit [Audit Id - 182134] Audit Date: 01/06/2020			
<u>Good Practices</u>			
<u>Area Of Improvement</u>			
<p>The overall observation shows that the facility partially comply with the requirements of this performance area. The facility has developed freedom of association policy. Although no trade union is formed in the facility but formed Participation Committee (PC) and the facility has open policy to accept trade union. Besides Factory management has formed safety committee in combination of worker and management and the meeting has conducted in regular basis. Factory management is providing the training on company's rules, legal rights and other safety</p>			

issues and workers were aware. Factory management has posted BSCI New Version Code inside the production floor. Factory management has provided contracts letter and job description and keep one copy of both document in workers personal file. Facility posted amfori BSCI code of conduct and summery of Local law in the prominent place of factory. However still there are some gaps for continuous improvement and monitoring system.

- 2.3 - The factory management has a process to provided training and awareness to the workers andworkers representative but through worker's interview lack of awareness was identified about workers rights, living wage, earn leave, job description, service benefits, BSCI long-term goaland values etc. among around 40% workers. [As per amfori BSCI CoC]
- 2.5 - The factory has a policy and procedure to record and solve grievance obtained from theworkers. But the procedure did not define properly how to deal with 'Potential Conflict of Interest' and 'Time frame'.

Remarks
from
Auditee

DeadLine
Date

31/12/2020

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

Full Audit [Audit Id - 182134] Audit Date: 01/06/2020

Good Practices

Area Of Improvement

Remarks
from Auditee

DeadLine
Date

Performance area 4:No Discrimination

Full Audit [Audit Id - 182134] Audit Date: 01/06/2020

Good Practices

Area Of Improvement

Remarks
from Auditee

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Performance area 5:Fair Remuneration

Full Audit [Audit Id - 182134] Audit Date: 01/06/2020

Good Practices

Area Of Improvement

The overall observation shows that the auditee partially fulfils requirements of this Performance Area-5 (Fair Remuneration). The facility has developed wages and compensation policy as per law. Factory management is providing industry minimum wage BDT. 8000 for assistant operator. Wages are paid within 7th working day after completion of each wage period (26th to 25th). Factory pay cash to the employees. Overtime calculated 200% of basic wage as per law. During workers interview session workers confirmed and expressed their satisfaction for timely payment. Factory management has calculated the living wage in their way. The factory management ensuring minimum wage as per law and but didn't take initiative to achieve living wages. However, still there are some gaps for continuous improvement and monitoring system.

- 5.3 - a) Annual increment (at least 5%) for the employees was not ensured properly for all of the emplovees in the factory. b) Through salary sheet review and employee and management

interview it was found that factory does not have proper policy and evaluation procedure regarding appointment of apprentice employees. Currently factory has total around 40 employee as apprentice and most of them are more than 3 months old. But as per law they were not evaluated as per law after 3 months and not placed to their respective position for which they have been recruited.

5.4 - Noted through document review, workers and management interview the facility did not estimate the living standard in the region calculating their living wage to determine a potential gap between present local minimum wage and living wage and so no action plan is in place to fill the gaps. [As per amfori BSCI CoC].

5.5 - a) Noted through interview with management and workers; it was noted that encashment of money for unveiled annual leaves was not done by the facility management after completing one-year service period. [Law Reference: Bangladesh Labor Rules-2015, Rule-107 (2)]. b) The factory could not show satisfactory documents that around 5 entitled employees have been paid maternity benefit from the month of January 2020 to April 2020.

Remarks
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Performance area 6: Decent Working Hours

Full Audit [Audit Id - 182134] Audit Date: 01/06/2020

Good Practices

Area Of Improvement

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from Auditee

DeadLine
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Performance area 7: Occupational Health and Safety

Full Audit [Audit Id - 182134] Audit Date: 01/06/2020

Good Practices

Area Of Improvement

The overall observation shows that the auditee partially fulfils requirements of this Performance Area. The factory has established a health & safety policy & procedures. Evacuation maps were available in all areas. Factory management is trying to develop their health and safety condition. The facility continuing the business partially in line with the regulations on occupational health and safety relevant for its activity. All the workers were wearing PPE during the audit. Facility has developed emergency procedure which has been displayed to the notice boards. Facility has regularly recorded accident and injury and further analysis has not conducted to improve the occupational health and safety procedures. Facility management has allocated adequate human and financial resources to ensure identification of risks. Workers of factory are free to move during any emergency evacuation without seeking any permission. Factory management has providing regular training on different types of topics i.e. health and safety, use of Personal protective equipment, firefighting, first aid and emergency drills. Facility also visually displayed the accident and emergency procedure the easy understanding of general workers and guide the first aid providers. Factory management is conducting fire drills in regular interval. Factory management has arranged training for fire fighters and firefighting team has inadequate knowledge. Facility has kept firefighting equipment to all required places where needed and maintenance has been also done on regular basis. During the audit, no exit door was found in blocked or locked condition. All exit was found clearly marked and illuminated with back-up power system. Evacuation plans has been posted in local language and it is placed showing the clearest escape routes including emergency exits. All evacuation plan found up to date in all

some area of facility. Factory management is providing pure drinking water to its workers. Safety guard of all machines were found properly. Medical information has displayed where workers can get their information and support. Factory management providing training and make maintenance schedule to ensure all safety guard in appropriate place. Factory management has provided workers dinning and it was clean and hygienic. 7.23 and 7.24 is marked as Not Rated since factory management do not have provision for transport and housing facility and it is not mandatory by law. Drinking water was provided in the production floors. Fire extinguishers were also properly charged and ready for use. However, the overall health & safety condition of the factory was found not to be satisfactory and the issues identified during the visit which are detailed in the below point.

- 7.1 - Although the factory has developed a comprehensive occupational health and safety system but some lacking was in application. Those relevant issues are noted in each improvement areas. [As per amfori BSCI CoC].
- 7.3 - Noted through plant tour, document review and management interview, the factory has a risk assessment but all areas were not taken in to consideration; like under construction area, lift, canteen, dining area, drinking water, etc. In addition risk assessment was not revised according to the Covid-19 pandemic situation. [As per Bangladesh Labour Rules, 2015, Schedule-4, Matters relating to safety committee (1) and amfori BSCI CoC] #COVID19
- 7.5 - Although factory has taken different initiatives regarding Covid-19 but adequate training among the workers were not made properly. #COVID19
- 7.11 - a) The factory has taken building construction approval from concerned authority. But factory yet to collected building 'Occupancy Certificate' which acknowledge that they have constructed the building as per approved plan. b) During current assessment it was noted that handrail on both side of staircase was not found in the stair case of the building# 02. c) the factory is using 2 generator i.e. i) license number is LWC-1761 and found expired on 3rd May, 2020 and ii) the factory has no waiver certificate for another generator, however they applied to the concern authority on 22nd October, 2019.

<u>Remarks from Auditee</u>	<u>DeadLine Date</u>	31/12/2020
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Performance area 8:No Child Labour

Full Audit [Audit Id - 182134] Audit Date: 01/06/2020

Good Practices

Area Of Improvement

<u>Remarks from Auditee</u>	<u>DeadLine Date</u>
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Performance area 9:Special protection for young workers

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Good Practices

Area Of Improvement

<u>Remarks from Auditee</u>	<u>DeadLine Date</u>
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Performance area 10:No Precarious Employment

Good PracticesArea Of Improvement

The overall observation shows that the facility partially follows the requirement of local law related to employment. Copy of appointment letter, ID card and service book is given to the workers upon joining. During the employees' interview, they stated that they signed labor contracts with the facility and they have obtained the copies of their labor contracts prior joining.

- 10.2 -** The factory has policy to recruit 'Apprentice' employee but there's lack of proper evaluation of them after three months of their joining; as a result their apprenticeship is extended up to six months.
- 10.3 -** Noted through document review, workers' and management interview, factory did not maintain nominee or nominee form as per requirement of law. [As per Bangladesh Labor Rules 2015]

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Performance area 11:No Bonded LabourGood PracticesArea Of Improvement

Remarks
from Auditee

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Date

Performance area 12:Protection of the EnvironmentGood PracticesArea Of Improvement

Overall observation shows that the facility partially complies with the requirements of this performance area-12 (Protection of the Environment). Environmental policy and procedure is up to date. Workers aware of the company policy and procedures for waste management. Facility has waste handling procedure. However, few gaps have been identified during implementation of this performance area.

- 12.3 -** The Environmental Clearance Certificates of the factory found expired from 01 May 2010. However factory has applied (through online) to the department from concern department. [Also note that due to Covid-19 pandemic the concern department was closed] [Environment Conservation Act, 1995, Section 12]
- 12.5 -** Factory did not take any initiative how to increase the conservation of water and what steps they need to take for implement that program. Facility 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. However, facility management is planning to do so. [As per amfori BSCI CoC]

Remarks
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Performance area 13:Ethical Business Behaviour

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Good Practices

Area Of Improvement

Overall observation shows that the facility partially complies with the requirements of this performance area. Facility management was transparent to provide information during audit. Facility has anti-corruption and anti-bribery policy. However, few gaps identified during the audit while implementing the requirement of this performance area.

- 13.1 -** Facility has the policy on anti-corruption and bribe and they have identify the possible risky area for corruption and bribe hence the policy was not communicated to the respective employees. In addition, facility has no system for reward to promote ethics and integrity among staffs and workers. [As per amfori BSCI CoC]

Remarks
from
Auditee

DeadLine
Date

31/12/2020

Date:

02/06/2020

Place:

Khurdokhosh Para, Mijmiji, Siddhirgonj,
Narayangonj

Auditor's name:

Md. Muftadeul Islam and Md. Bodrudduja
Chowdhury

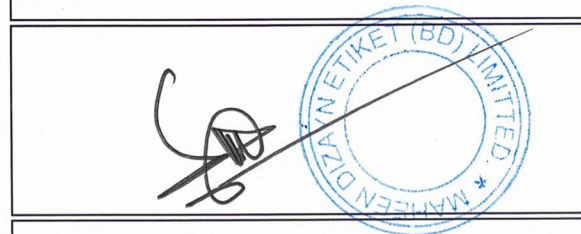
Auditor signature:



Auditee's name:

Mr. Md. Salah Uddin - Manager - HR,
Compliance and Administration

Auditee signature:



Workers' representative's name:

Mr. Mofizul Islam - Worker Representative

Workers' representative signature:

